



July 29, 2024

—Via Electronic Filing—

Will Seuffert Executive Secretary Minnesota Public Utilities Commission 121 7th Place East, Suite 350 St. Paul, MN 55101

RE: INITIAL COMMENTS

IN THE MATTER OF THE LARGE WIND ENERGY CONVERSION SYSTEM SITE PERMIT FOR THE 98.9 MW MOWER COUNTY WIND FACILITY REGARDING A COMPLAINT

DOCKET NO. IP-6557/WS-06-91

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed Initial Comments responding to the Public Utilities Commission's (Commission) *Notice of Comment Period* (Notice) issued on July 18, 2024 in the abovenoted docket.

The Commission's Notice opened for comment three topics within this docket:

- 1. What, if any, action should the Commission take regarding the complaint from the City of Grand Meadow reported in Xcel Energy's Consolidated Monthly Complaint Report filed June 14, 2024?
- 2. What authority does the Commission have to order removal of the wind turbine blades from the city industrial park?
- 3. What contractual remedies does Xcel Energy have with NextEra Energy Resources or others regarding proper disposal and recycling of the turbine blades?

We have electronically filed this document with the Minnesota Public Utilities Commission, and copies have been served on the parties on the attached service list. Please contact Lynnette Sweet at 612-321-3159 or Lynnette.m.sweet@xcelenergy.com or contact me at 612-330-6935 or gail.baranko@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

GAIL BARANKO
MANAGER, REGULATORY ADMINISTRATION

Enclosure cc: Service List

STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben Chair
Hwikwon Ham Commissioner
Valerie Means Commissioner
Joseph K. Sullivan Commissioner
John A. Tuma Commissioner

IN THE MATTER OF THE LARGE WIND ENERGY CONVERSION SYSTEM SITE PERMIT FOR THE 98.9 MW MOWER COUNTY WIND FACILITY REGARDING A COMPLAINT DOCKET NO. IP-6557/WS-06-91

COMMENTS

INTRODUCTION

Northern States Power Company, doing business as Xcel Energy, submits these Comments in response to the Minnesota Public Utilities Commission's July 18, 2024 Notice of Comment Period in the above noted docket.

The Company appreciates the opportunity to comment on the questions posed by the Commission and will first provide some background and context. The Mower County Wind Farm ("Mower") was repowered by the prior owner, NextEra, who contracted with Siemens Gamesa Renewable Energy ("SGRE") to provide repower equipment and services (including removal of used blades) associated with the repowering project. SGRE. Under the terms of its agreement with NextEra, SGRE took title to the blades and subsequently contracted with RiverCap, now Canvus ("Canvus"), to recycle the blades. Arrangements for blade disposal and transfer of title occurred prior to Xcel Energy's purchase of the repowered wind farm.

Although we do not have title to the blades, the Company's understanding is that SGRE paid Canvus the full fee to recycle the Mower blades in 2021. The 111 Mower blades were moved to a storage area leased through RiverCap/Canvus. The complaint suggests that some of these blades were moved last year. The Company has not verified this information and does not know how many blades are currently at this storage location. The Company also understands that the storage lease expires on December 31, 2024. After communicating with NextEra and SGRE regarding current responsibility and next steps, we understand that Canvus is free to move the blades without any additional coordination required with SGRE or NextEra. Canvus has also

notified SGRE that it does not have room at its Ohio facility to accept any additional blades at this time. Canvus has stated, however, that the blades will be moved by year's end.

We believe this is an isolated situation and not reflective of other efforts to repower or decommission wind farms. While the Company was not the permittee on Mower when it was repowered, we have repowered two other facilities—Nobles and Grand Meadow—without this type of problem. In those cases, the repowered blades were successfully removed from the project site without further incident or complaint. Regardless, we are taking seriously the concerns expressed in the complaint and are considering any learnings this issue may present for future projects.

COMMENTS

I. TOPICS FOR COMMENT

Below, we provide comments in response to the Commissions Notice.

A. What, if any, action should the Commission take regarding the complaint from the City of Grand Meadow reported in Xcel Energy's Consolidated Monthly Complaint Report filed June 14, 2024?

While the Company is mindful of the issues expressed in the complaint and is open to discussing how similar issues can be avoided in future projects, the concerns here fall beyond the Commission's jurisdiction. Moreover, it appears based on the representations of Canvus that this issue may be resolved by the end of the year when Canvus's storage lease expires. As discussed in more detail below, the Commission's permit requirements related to removal of the turbine blades from the project site have been fulfilled. As the Company understands, the blades have been sold to Canvus and are not within the Commission's jurisdiction, and Canvus has entered into a private lease to store the blades until it moves them to its facility sometime later this year.

B. What authority does the Commission have to order removal of the wind turbine blades from the city industrial park?

The Company does not have title to the wind turbine blades and therefore would not be impacted by a Commission determination that it had authority over the blades. Regardless, the Company's view is that the Commission does not have authority over these wind turbine blades because they are no longer part of the project and they have been removed from the project consistent with the project permits, Commission

orders, and permittee commitments. The blades have been removed from the permitted site under the Commission's jurisdiction and, to the Company's knowledge, are being held in storage based on a private lease between the entity that the Company believes has title to the blades, Canvus, and the storage facility. In addition, the Company understands that this lease runs through the end of 2024 and that the owner of the blades has contractually committed to removing them by December 31, 2024.

The fact that the blades were once part of a permitted facility does not mean that the Commission has jurisdiction over them now. The Commission, for instance, does not retain jurisdiction over property that was used as utility equipment after it has been disposed. This is no different. In this case, the turbine blades at issue were removed from the windfarm as part of a repowering project that occurred in 2019-2020 and sold to a different entity to be recycled.

The history of this project also shows that the permit conditions, Commission orders, and permittee commitments related to recycling and disposal of removed equipment have been fulfilled. The Commission granted a permit for the original facility on May 26, 2006 ("2006 Permit"). The 2006 Permit addressed the permittee's requirements for decommissioning and site restoration under Minnesota rules. The Commission's order required that the decommissioning must address "removal of all turbines and towers" from the project site and take other steps to return the site to its preconstructed state.

On December 2, 2019, the NextEra subsidiary holding the permit for the windfarm, FPL Energy Mower County, LLC ("FPL"), submitted an application amendment to repower the facility ("Repower Petition"). The Repower Petition explained that the 2006 Permit addressed decommissioning and restoration consistent with Minnesota Rules³ while noting that "the original project will not be decommissioned, it will be repowered." As a result, State rules and permit conditions related to decommissioning of the facility did not apply to the materials left over from the repower project. Regardless, the Repower Petition explained how FPL planned to deal with the blades and other materials: "[a]s part of the repowering process, the existing blades and other components . . . will be removed." FPL further stated that it would coordinate for the recycling of components, and materials that could not be recycled would be "removed from the site for disposal."

¹ See Minn. R. 7854.0500, Subd. 13.

² ORDER GRANTING SITE PERMIT (May 26, 2006), p. 14.

³ REPOWER PETITION (December 2, 2019), p. 11-1.

⁴ *Id.* As required by Order Point 11.1 of the Commission's July 21, 2021ORDER, we submitted a REVISED DECOMMISSIONING PLAN on November 2, 2021.

FPL's plan to recycle and dispose of material following the repowering was not incorporated into the amended permit or affirmatively ordered by the Commission. FPL also did not state when the recycling or disposal of materials from the repower would be complete. The Commission may want to consider whether or not these issues should be addressed in future repowering or permitting matters. Despite these issues, it appears in this case that FPL has performed on the commitments it made in the Repower Petition with respect to the wind turbine blades. The blades have been removed from the project site and, to the Company's knowledge, were transferred to a recycler, Canvus, who holds current title to the blades. As the Company further understands, Canvus has entered into a private lease with a facility to store the blades through the end of this year and plans to move the blades to its facility in Ohio. In short, it appears that FPL fulfilled the commitments it made regarding the blades when they were removed from the project site and transferred to a recycler, and the Company is not aware of any authority the Commission could exercise over the recycler or the lease agreement between the recycler and storage facility.

C. What contractual remedies does Xcel Energy have with NextEra Energy Resources or others regarding proper disposal and recycling of the turbine blades?

The Company's contract with NextEra and NextEra's repower agreements with SGRE provided that the existing wind turbine equipment (other than the towers, which were retained and used in the repower) would be disassembled and removed from the project site. As discussed above, this is consistent with the permits issued by the Commission and these actions have taken place. Accordingly, the Company does not have contractual remedies because the terms of its contracts were satisfied. Further, as has also been discussed above, the Company understands that the blades were ultimately sold and believes that title to the blades transferred to Canvus. Because the Company no longer has title to, or unsatisfied contractual commitments regarding, the blades, the Company does not have a specific legal interest in their location or handling.

II. LESSONS LEARNED / PATH FORWARD

A. Lessons Learned

The Company is open to discussion and guidance on improvements that can be made in future matters to avoid the issues presented in this complaint. The Company notes that there are inherent limitations in the Commission's authority and the Company's contractual ability to regulate how these assets are stored and processed after they have been sold. Despite these limitations, in light of this experience, the Company will

consider whether future repower or blade recycling contracts should include more specific obligations regarding treatment of the removed equipment, such as deadlines for completing the recycling. And the Company is open to discussing other options to minimize the risk of a problem like this arising again.

B. Path to Resolution

For the reasons set forth above, the Company does not believe that the Commission can resolve this matter. Setting that aside, the Company believes the best resolution to this complaint is for Canvus to move the blades by year end when its storage lease expires. The Company has also been told by the City of Grand Meadow that the blades are currently being stored "illegally" and in violation of the city's zoning ordinances. The Company is not familiar with the underlying basis of these assertions; it is not familiar with the laws that the City claims may have been broken or the zoning ordinances that may have been violated. Regardless, the Company agrees with the general principle that the City must be able to enforce its laws and zoning ordinances and is interested in learning what can be done on this front. Finally, the Company notes that SGRE may have some path to resolution based on its underlying contract with Canvus. The Company, however, cannot speak to these potential resolutions because it is not a party to these agreements.

While we do not have title to the blades nor any path to removing the turbines, for the purposes of this filing, we asked if there was a schedule to remove the Mower Wind turbine blades from the City of Grand Meadow, and the recycling and disposing of the wind turbine blades, as appropriate and allowed, with NextEra Energy Resources, LLC ("NEER") and Siemens Gamesa Renewable Energy, Inc ("Siemens"). Based on those conversations, we were told the following schedule to remove the wind turbine blades:

- On or before September 1, 2024, Canvus (formerly known as RiverCap), the current owner of the wind turbine blades, will apply for the necessarily transportation and removal permits.
- On or before October 1, 2024, Canvus will commence loading and removal of the wind turbine blades.
- On or before December 15, 2024, all wind turbine blades will be removed.

At this time, Canvus has not identified the specific location the wind turbine blades will be removed to or when they will be recycled due to capacity limits at their facility.

If at any time Canvus does not perform one of the above milestones, NEER will step in to ensure that the wind turbine blades are removed by December 31, 2024.

CONCLUSION

As noted above, the Company appreciates the opportunity to respond to the Commission's questions related to this complaint. We do not believe that the Commission has authority to resolve this complaint, since the blades at issue were removed from the project site and sold to Canvus to be recycled. Still, we are mindful of the concerns expressed in this complaint and open to further dialogue about potential resolution.

Dated: July 29, 2024

Northern States Power Company

CERTIFICATE OF SERVICE

I, Joshua DePauw, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

- <u>xx</u> by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota
- xx electronic filing

DOCKET NOS. IP-6557/WS-06-91

Dated this 29th day of July 2024

/s/

Joshua DePauw Regulatory Administrator

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
James	Christian	cityadministrator@cityofgra ndmeadow.com	City of Grand Meadow	City of Grand Meadow 112 Grand Avenue Ea PO Box 38 Grand Meadow, MN 55936	Electronic Service st	No	OFF_SL_6-91_Official Service List
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.st ate.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	No	OFF_SL_6-91_Official Service List
Lawrence	Dernulc II	Lawrence.Dernulc@NextEr aEnergy.com	FPL Energy Mower County, LLC	700 Universe Boulevard Juno Beach, FL 33408	Electronic Service	No	OFF_SL_6-91_Official Service List
Sharon	Ferguson	sharon.ferguson@state.mn .us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	Yes	OFF_SL_6-91_Official Service List
Andrew	Gibbons	andrew.gibbons@stinson.c om	Stinson LLP	50 South Sixth St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_6-91_Official Service List
Matthew B	Harris	matt.b.harris@xcelenergy.c om	XCEL ENERGY	401 Nicollet Mall FL 8 Minneapolis, MN 55401	Electronic Service	No	OFF_SL_6-91_Official Service List
Brian J	Murphy	brian.j.murphy@nexteraen ergy.com	Nextera Energy Resources, LLC	700 Universe Blvd LAW-JB Juno Beach, FL 33408	Electronic Service	No	OFF_SL_6-91_Official Service List
Carol A.	Overland	overland@legalectric.org	Legalectric - Overland Law Office	1110 West Avenue Red Wing, MN 55066	Electronic Service	No	OFF_SL_6-91_Official Service List
Generic Notice	Residential Utilities Division	residential.utilities@ag.stat e.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	No	OFF_SL_6-91_Official Service List
Christine	Schwartz	Regulatory.records@xcele nergy.com	Xcel Energy	414 Nicollet Mall FL 7 Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_6-91_Official Service List

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service		OFF_SL_6-91_Official Service List
Cynthia	Warzecha	cynthia.warzecha@state.m n.us	Minnesota Department of Natural Resources	500 Lafayette Road Box 25 St. Paul, MN 55155-4040	Electronic Service		OFF_SL_6-91_Official Service List