

January 13, 2020

Ryan Barlow  
Acting Executive Secretary  
Minnesota Public Utilities Commission  
121 7<sup>th</sup> Place East, Suite 350  
Saint Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. E999/CI-19-704

Dear Mr. Barlow:

Attached are the Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department), in the following matter:

An Investigation into Self-Commitment and Self-Scheduling of Large Baseload  
Generation Facilities.

The Commission issued a Notice of Comment Period on December 13, 2019 requesting parties file comments on certain topics. The Department responds to the issues identified by the Minnesota Public Utilities Commission (Commission). The Department is available to answer any questions that the Commission may have in this matter.

Sincerely,

/s/ STEVE RAKOW  
Analyst Coordinator

SR/ar  
Attachment



## Before the Minnesota Public Utilities Commission

### Comments of the Minnesota Department of Commerce Division of Energy Resources

Docket No. E999/CI-19-704

#### I. BACKGROUND AND INTRODUCTION

On November 13, 2019, the Minnesota Public Utilities Commission (Commission) issued its *Order Accepting 2017-2018 Electric Reports and Setting Additional Requirements* in Docket No. E999/AA-18-373. In that Order, the Commission included the following Order Points:

8. Minnesota Power, Otter Tail, and Xcel shall submit an annual compliance filing analyzing the potential options for seasonal dispatch generally, and potential options and strategies for utilizing “economic” commitments for specific coal-fired generating plants. The utilities shall include a specific explanation of barriers or limitations to each of these potential options, including but not limited to technical limits of the units and contract requirements (shared ownership, steam offtake contracts, minimum fuel supply requirements, (shared ownership, steam offtake contracts, minimum fuel supply requirements, etc.) as relevant, on March 1, 2020, and each year thereafter.
9. The Commission will open an investigation in a separate docket<sup>8</sup> and require Minnesota Power, Otter Tail, and Xcel to report their future self-commitment and self-scheduling analyses using a consistent methodology by including fuel cost and variable O&M costs, matching the offer curve submitted to MISO energy markets.
10. In the investigation docket, Minnesota Power, Otter Tail, and Xcel shall provide stakeholders with the underlying data (work papers) used to complete their analyses, in a live Excel spread sheet, including, at a minimum, the data points listed below for each generating unit, with the understanding that this may include protected data.

#### Hourly data for all units:

- a) Date and hour
- b) Commit status (Null / Economic / Emergency / Must Run / Outage / Not Participating)
- c) Dispatch Status for Energy (Null / Economic / Self Schedule)
- d) Cleared MW
- e) Day ahead locational marginal price at unit node
- f) Real time MW adjustment
- g) Real time locational marginal price at unit node

- h) Day ahead dispatch minimum
- i) Real time dispatch minimum
- j) Fuel cost (\$/MWh)
- k) Variable operations and maintenance costs (\$/MWh)
- l) Day ahead locational marginal price representative of utility load zone
- m) Real time locational marginal price representative of utility load zone
- n) Whether Day Ahead Cleared = Day Ahead Dispatch Minimum (0 or 1)
- o) Actual production in MWh (for all 8,760 hours of the year)
- p) Day ahead MISO payment
- q) Real time MISO payment
- r) Net MISO energy payment
- s) Production costs ((J+K) \* O)
- t) Net cost or benefit (R-S)

Monthly or annual data for all units:

- u) Revenue from ancillary services (Monthly)
- v) Fixed operations and maintenance costs (preferably monthly) or reasonable estimates in approximation thereof
- w) Capital revenue requirements (annual) or reasonable estimates in approximation thereof
- x) Average heat rate at economic minimum
- y) Average heat rate at economic maximum

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<sup>8</sup> *In the Matter of an Investigation into Self-Commitment and Self-Scheduling of Large Baseload Generation Facilities*, Docket No. E-999/DI-19-704.

On December 13, 2019 the Minnesota Public Utilities Commission issued its *Notice of Comment Period* (Notice). The Notice specified that the topics open for Comment include:

- Regarding the scope of this investigation, should there be any additions or clarifications to the direction given by the Commission in ordering paragraphs 8, 9, and 10 of the November 13, 2019 Order (AA-18-373)?
- Are there issues that should be addressed in this investigation in addition to those specified in the November 13, 2019 Order (AA-18-373)? What issues should be addressed in the annual March 1 seasonal dispatch / strategic economic commitment compliance filings?
- What is the appropriate timeline for comments and reply comments in this investigation?
- Are there other issues or concerns related to this matter?

The Department appreciates the Commission's attention and efforts in these matters, and offers the following brief comments in response to the issues raised by the Notice.

## II. DEPARTMENT ANALYSIS

### A. SCOPE OF THIS INVESTIGATION

The Notice indicates that the first topic open for comment is “should there be any additions or clarifications to the direction given by the Commission in ordering paragraphs 8, 9, and 10 of the November 13, 2019 Order (AA-18-373)?”

At this time, the Department has no additions or clarifications to the Commission’s direction.

### B. ADDITIONAL ISSUES

The Notice indicates that the second topic open for comment is:

Are there issues that should be addressed in this investigation in addition to those specified in the November 13, 2019 Order (AA-18-373)? What issues should be addressed in the annual March 1 seasonal dispatch / strategic economic commitment compliance filings?

At this time, the Department concludes that the issues that the Commission directed the utilities to address in the March 1 filing are sufficiently comprehensive and therefore has identified no additional issues that should be addressed.

### C. TIMELINE

The Notice indicates that the third topic open for comment is “What is the appropriate timeline for comments and reply comments in this investigation?”

The Department notes that on December 6, 2019 in Docket No. E002/RP-19-368 the Commission issued a notice requiring that Xcel file a supplement to its Integrated Resource Plan (IRP) no later than April 1, 2020. The Department’s participation in this proceeding will be limited after Xcel’s IRP supplement is filed. Other parties may or may not have the same issue with resource availability. The Department recommends that the Commission establish a due date for initial comments of April 1, 2020. The Department has no position on the reply comment deadline.

### D. OTHER ISSUES

The Notice indicates that the fourth topic open for comment is “Are there other issues or concerns related to this matter?”

At this time the Department has no other issues or concerns related to this proceeding.

### **III. CONCLUSION AND RECOMMENDATIONS**

The Department looks forward to reviewing the utilities' March 1 submittals. At this time, the Department's only further recommendation is for the Commission to establish a due date for initial comments of April 1, 2020.

/ar

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce**  
**Comments**

**Docket No. E999/Ci-19-704**

Dated this **13<sup>th</sup>** day of **January 2020**

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Christopher	Anderson	canderson@allete.com	Minnesota Power	30 W Superior St  Duluth, MN 558022191	Electronic Service	No	OFF_SL_19-704_Official
Alison C	Archer	aarcher@misoenergy.org	MISO	2985 Ames Crossing Rd  Eagan, MN 55121	Electronic Service	No	OFF_SL_19-704_Official
Ryan	Barlow	ryan.barlow@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350  St. Paul, MN 55101214	Electronic Service	Yes	OFF_SL_19-704_Official
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-704_Official
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_19-704_Official
Bruce	Gerhardson	bgerhardson@otpc.com	Otter Tail Power Company	PO Box 496 215 S Cascade St Fergus Falls, MN 565380496	Electronic Service	No	OFF_SL_19-704_Official
Allen	Gleckner	gleckner@fresh-energy.org	Fresh Energy	408 St. Peter Street Ste 220 Saint Paul, Minnesota 55102	Electronic Service	No	OFF_SL_19-704_Official
Douglas	Larson	dlarson@dakotaelectric.com	Dakota Electric Association	4300 220th St W  Farmington, MN 55024	Electronic Service	No	OFF_SL_19-704_Official
Leann	Oehlerking Boes	lboes@mnpower.com	Minnesota Power	30 W Superior St  Duluth, MN 55802	Electronic Service	No	OFF_SL_19-704_Official
Randy	Olson	rolson@dakotaelectric.com	Dakota Electric Association	4300 220th Street W.  Farmington, MN 55024-9583	Electronic Service	No	OFF_SL_19-704_Official

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_19-704_Official
Isabel	Ricker	ricker@fresh-energy.org	Fresh Energy	408 Saint Peter Street Suite 220 Saint Paul, MN 55102	Electronic Service	No	OFF_SL_19-704_Official
Lynnette	Sweet	Regulatory.records@xcelenergy.com	Xcel Energy	414 Nicollet Mall FL 7  Minneapolis, MN 554011993	Electronic Service	No	OFF_SL_19-704_Official
Stuart	Tommerdahl	stommerdahl@otpco.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_19-704_Official
Brian	Tulloh	btulloh@misoenergy.org	MISO	2985 Ames Crossing Rd  Eagan, MN 55121-2498	Electronic Service	No	OFF_SL_19-704_Official