

The Commission met on **Thursday, March 31, 2016**, with Chair Heydinger and Commissioners Lange, Lipschultz, Tuma, and Schuerger present.

The following matters were taken up by the Commission:

ENERGY AGENDA

G-022/M-15-1090

In the Matter of Greater Minnesota Gas, Inc.'s Proposal for Revised Reporting Metric Regarding Service Extensions for Annual Service Quality Reporting

Commissioner Tuma moved to take the following actions:

1. Approve the agreed-upon reporting metrics regarding service extensions for GMG 2016 and future Annual Service Quality Reporting from the company's December 31, 2015 report, the February 1, 2016 Department of Commerce comments, the company's February 11, 2016 reply comments, and the February 26, 2016 Department of Commerce response comments.
2. In addition to the agreed-upon reporting metrics regarding service extensions for GMG 2016 and future Annual Service Quality Reporting from the company's December 31, 2015 report, the February 1, 2016 Department of Commerce comments, the company's February 11, 2016 reply comments, and the February 26, 2016 Department of Commerce response comments, the company shall provide:
 - A. Copies of all advertisements and solicitations provided to potential new customers in a new geographical area;
 - B. The date at which deposits were first accepted for a new geographic area; and
 - C. For service extension projects along existing mains, an explanation of the reasons why customers were denied services when requested.

The motion passed 5-0.

E-111/M-16-42

In the Matter of the Dakota Electric Association's 2016 Annual Resource and Tax Adjustment Filing

Commissioner Lange moved to take the following actions:

1. Approve Dakota Electric Association's proposed 2016 Annual Resource and Tax Adjustments; and
2. Adopt the clarification to the Department's February 8, 2016 comments set forth below, as described in staff briefing papers:

The Department's comments suggest that residential power costs are decreasing, but staff would like to clarify that the residential power costs are increasing in 2016. The residential RTA charge is actually increasing from \$0.0028 to \$0.0030 per kWh. Although a \$0.0156 per kWh residential RTA referred to by the Department was in effect at the beginning of 2015, DEA updated its 2015 RTA charge/credit amounts later in 2015 as part of its 2014 rate case compliance filing.

Also, on page 5 of the Department's comments it is stated that "DEA proposed a charge of \$0.0000 per kWh for property taxes..." Staff thinks that the narrative likely omitted a qualifier. For clarification, the property tax component of the RTA, shown in Table 1 (page 2) of the Department's Comments, is accurate and shows that several customer classes do have a \$0.0000 per kWh charge, however, some customer classes will have a small property tax charge/credit adjustment.

The motion passed 5-0.

E-002/GR-12-961

In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in Minnesota

Commissioner Schuerger moved to take the following actions:

1. Accept Northern States Power Company's annual compliance report on its new Electric Service Agreements (ESAs) with Advanced Extrusion, Inc., LeafLine Labs LLC, New Plastics Plus, Inc., and Grede, LLC under Xcel's Business Incentive and Sustainability (BIS) Rider.
2. Require Xcel to provide the information in items 1 – 6, below, in the annual December 1 compliance report on all BIS electric service agreements and in the new BIS electric-service-agreement compliance filings.
 - 1) Xcel will provide information about the cumulative generation capacity that is necessary to serve the new load incentivized by the BIS Rider and its relationship to, and impacts on, (a) the Company's overall generation requirements; and (b) the Company's efforts to reduce the system peak through load management and demand response. The OAG noted that although Xcel has stated that it currently has excess generation capacity, it would be helpful for the Commission to understand the impact that the new consumption incentivized by the BIS Rider discounts has on the Company's future generation requirements;
 - 2) Xcel will provide information about the relationship between customers added to the BIS Rider and any sales forecasts provided for pending rate cases or other dockets involving sales forecasting. The OAG argued that it is possible that customers increasing consumption in response to BIS Rider incentives could have a material impact on the Company's sales forecasting;

3) Xcel will provide more information about the energy audit and other sustainability efforts required by the language of the BIS Rider tariff. The BIS Rider, while offering discounts aimed at increasing usage, requires customers to participate in sustainability and conservation programs. The OAG noted that providing more information about this process (e.g., where each customer is in the process and any conservation action taken by the BIS customers) would be beneficial in judging the overall success of the BIS Rider;

4) Xcel will provide more information about the impact of the BIS Rider discount on incentivizing new energy consumption by business customers. The OAG is seeking more information on how customers responded to the BIS Rider discount and how Xcel determined it was not offering unnecessary discounts;

5) Xcel will provide information about the “Revenue Recovery” provision (noted above) of the BIS Rider Tariff – whether and how Xcel has sought, or intends to seek, recovery of the shortfall related to the BIS discount from other customer classes; and

6) Xcel will provide information about the amount of BIS Rider discounts and their financial impact on other classes. The OAG notes its concern that, in light of the increasing number of customers that appear to be interested in the BIS Rider, the application of the discount, over time, could result in a measurable shift in cost from business customers to residential customers.

3. Require Xcel to develop a format to provide the information in items 1 – 6 above on customers taking service under the BIS Rider within 30 days of the issue of this order.

The motion passed 5–0.

E-002/M-15-920

In the Matter of a Petition by Northern States Power Company d/b/a Xcel Energy for Approval of a Light-Emitting Diode Street Lighting Rate

Commissioner Lange moved to take the following actions:

1. Approve Xcel’s proposed Light Emitting Diode (LED) Street Lighting Rate, as amended in the Company’s December 29, 2015 reply comments.
2. Require Xcel to update the LED street lighting rates, if needed, to conform to the Commission’s decisions in docket E-002/GR-15-826.
3. Implement the proposed LED street lighting rates within 30 days of the Commission’s order.

The motion passed 5–0.

E-002/RP-15-21

In the Matter of Xcel Energy’s 2016-2030 Integrated Resource Plan

Chair Heydinger moved to take the following actions:

1. Ask the Commissioner of Commerce to seek authority from the Commissioner of Management and Budget to incur costs for specialized technical professional investigative services under Minn. Stat. § 216B.62, subd. 8, to investigate and verify the statements made by Xcel concerning Xcel’s Prairie Island projected costs.
2. The Executive Secretary shall be directed to send out notice to the parties in the current Xcel rate case, docket no. E-002/GR-15-826, giving notice to the parties and opportunity to object to the Department’s request in that proceeding.
3. The Executive Secretary shall also have the authority to appropriately allocate the costs of the technical expertise retained to this docket and docket 15-826.

The motion passed 5–0.

IP-6943/GS-15-33

In the Matter of the Combined Application of North Star Solar PV LLC for a Site Permit and Route Permit for the North Star Solar Electric Power Generating Plant and Associated 115 kV High-Voltage Transmission Line in Chisago County

Commissioner Lange moved to deny reconsideration.

The motion passed 5-0.

Chair Heydinger moved to amend the permit provision as follows:

1. Affected Landowner Definition Inclusion

4.0 GENERAL CONDITIONS

The Permittee shall comply with the following conditions during construction and operation of the solar energy generating system and associated facilities over the life of this permit. For purposes of this permit section and those that follow, an affected landowner is defined as a landowner that is within the project site boundary or adjacent to the site boundary.

2. Landscaping Plan and Vegetation Management Plan

4.1 Notification

Within 14 days of permit issuance, the Permittee shall send a copy of the permit to any regional development commission, county auditor, and city and township clerk in which any part of the site is located. Within 30 days of permit issuance, the Permittee shall provide all affected landowners with a copy of this permit and the complaint procedures. In no case shall the landowner receive this site permit and complaint procedures less than five days prior to the start of construction on their property. Within 14 days of approval of the final Landscaping Plan and Vegetation Management Plan, the Permittee shall provide all affected landowners with copies of the plan(s). The Permittee shall contact landowners prior to entering the property or conducting maintenance within the site, unless otherwise negotiated with the affected landowner.

3. Herbicide Use Modification

3.2.12 Application of Herbicides

The Permittee shall restrict herbicide use to those herbicides and methods of application approved by the Minnesota Department of Agriculture and the U.S. Environmental Protection Agency. Selective foliage or basal application shall be used when practicable. All herbicides shall be applied in a safe and cautious manner so as not to damage adjacent properties including crops, orchards, tree farms, apiaries, or gardens. The Permittee shall contact the landowner or designee to obtain approval for the use of herbicide at least 14 days prior to any application on their property. The landowner may request that there be no application of herbicides on any part of the site within the landowner's property. The Permittee shall provide notice of herbicide application to affected landowners, and known beekeepers operating apiaries within ~~one~~ three miles of the project site, at least 14 days prior to such application.

4. Inclusion of a “Right of Entry” provision

10. 6 Right of Entry

Upon reasonable notice, presentation of credentials and at all times in compliance with the Permittee's site safety standards, the Permittee shall allow representatives of the Commission to perform the following:

- (a) enter upon the site property for the purpose of obtaining information, examining records, and conducting surveys or investigations;
- (b) bring such equipment upon the site property as is necessary to conduct such surveys and investigations;
- (c) sample and monitor upon the site property; and
- (d) examine and copy any documents pertaining to compliance with the conditions of this permit.

5. Independent Inspector

The Permittee shall retain an independent third-party inspector, which could include a local unit of government with the inspection authority. The selection of the inspector and scope of the inspection effort shall be approved by the DOC EERA and Commission's Executive Secretary. The inspector shall oversee the construction process and ensure that the project conforms to the site permit terms, conditions, and the specifications outlined in the record. The inspector shall file a report at 30-day intervals with the Commission addressing compliance during construction and the first 60 days of operation.

The motion passed 5-0.

IP-6941/GS-14-1052

In the Matter of the Application of Marshall Solar, LLC for a Site Permit for the Marshall Solar Energy Project and Associated Facilities in Lyon County

Commissioner Lipschultz moved to take the following actions:

1. Adopt, as modified by Table 1 (filed with staff briefing papers on January 28, 2016), the ALJ Findings of Fact, Conclusions of Law and Recommendation for the Marshall Solar electric power generating plant in Lyon County, Minnesota, and including the proposed additional findings filed on March 30, 2016, amended to strike the proposed conclusion on page three.
2. Determine that the environmental assessment and the record created at the public hearing address the issues identified in the environmental assessment scoping decision.
3. Grant Marshall Solar, LLC a solar energy generating site permit identifying permit conditions for the 62.25 MW Marshall Solar Project in Lyon County, as attached in the Proposed Site Permit, and with the following changes:
 - a. The revisions shown in the Proposed Additional Permit Modifications filed on March 30, 2016, with the following additional revision: The last sentence of the condition relating to application of herbicides is further revised to read, "The Permittee shall provide notice of herbicide application to affected landowners, and known beekeepers operating apiaries within ~~one~~ three miles of the project site, at least 14 days prior to such application."
 - b. A new condition relating to an independent third-party inspector: The Permittee shall retain an independent third-party inspector, which could include a local unit of government with the inspection authority, and the selection of the inspector and scope of the inspection effort shall be approved by the DOC EERA and

Commission's Executive Secretary. The inspector shall oversee the construction process and ensure that the project conforms to the site permit terms, conditions, and the specifications outlined in the record. In addition, prior to construction, the Permittee shall establish a baseline for springtime ambient noise. The inspector shall file reports at 30-day intervals with the Commission addressing compliance during construction and the first 60 days of operation.

4. Allow Commission staff to make modification to the ALJ's Findings of Fact or the attached Site Permit, as necessary, to ensure consistency and/or to allow for administrative corrections following the Commission's oral decision on this matter.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: May 11, 2016



Daniel P. Wolf, Executive Secretary