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September 6, 2024

VIA ELECTRONIC FILING

Will Seuffert, Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Re: In the Matter of the Certificate of Need Application for the Minnesota Energy Connection Project in Sherburne, Stearns, Kandiyohi, Wright, Meeker, Chippewa, Yellow Medicine, Renville, Redwood, and Lyon counties in Minnesota

Dear Mr. Seuffert,

Clean Energy Economy Minnesota (CEEM) respectfully submits these comments for PUC Docket Number CN-22-131 Certificate of Need for the Minnesota Energy Connection Project. Our mission at CEEM is to provide educational leadership, collaboration, and policy analysis that accelerates clean energy market growth and smart energy policies. We work to support and expand clean energy jobs and the economic opportunities provided by clean, reliable, and affordable energy on behalf of all Minnesotans.

Please feel free to contact us with any questions that you may have. We hope that the comments below provide you with useful insights.

Regards,

George Damian
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State of Minnesota
Before the
Minnesota Public Utilities Commission

Katie Sieben	Chair
Joseph K. Sullivan	Vice-Chair
Hwikwon Ham	Commissioner
Valerie Means	Commissioner
John Tuma	Commissioner

In the Matter of the Certificate of Need Application for the Minnesota Energy Connection Project in Sherburne, Stearns, Kandiyohi, Wright, Meeker, Chippewa, Yellow Medicine, Renville, Redwood, and Lyon counties in Minnesota	CLEAN ENERGY ECONOMY MINNESOTA'S INITIAL COMMENTS PUC Docket Number: E002/CN-22-131

INTRODUCTION

Clean Energy Economy Minnesota

Clean Energy Economy Minnesota ("CEEM") is an industry led, nonpartisan, non-profit organization representing the business voice of energy efficiency and clean renewable energy in Minnesota.

Our work is focused on educating Minnesotans about the economic benefits of transitioning to a clean energy economy. Our business membership consists of over 60 clean energy companies ranging from start-up businesses to Fortune 100 and 500 corporations that employ tens of thousands of Minnesotans across the state. Together with our members, we stand committed to delivering a 100% clean energy future where all Minnesota businesses and citizens will thrive.

CEEM respectfully submits these Initial Comments in response to the Minnesota Public Utilities Commission's (the "Commission") June 5, 2024, Notice of Comment Period on the Merits of the Certificate of Need Application.

TOPICS FOR COMMENT

- Should the Commission grant a certificate of need for the proposed project?
  - If granted, what additional conditions or requirements, if any, should be included in the certificate of need?

- Are there other issues or concerns related to this matter?

COMMENTS

CEEM respectfully requests the Commission grant the certificate of need for the proposed Minnesota Energy Connection Project (MECP) with reliance on this project providing significantly greater access to and transmission of electricity from clean renewable solar and wind energy. Based on information in the record thus far and as explained below, in addition to the system reliability MECP can provide, the access MECP can provide for wind and solar energy can significantly decarbonize the grid. For these reasons, a certificate of need should be granted for the proposed MECP.

System reliability and decarbonization of the grid with clean renewable energy is important to CEEM and its membership. The linchpin for reliability and decarbonization is the transmission infrastructure because it can bring electricity generated by a mix of solar and wind energy to Minnesotans. A diverse mix of distributed renewable energy resources, including battery storage, can improve reliability[1] for Minnesotans. That said, for Minnesotans to obtain the benefits from renewables, including the use of battery storage, those distributed energy resources must have access to the grid. MECP holds the potential to provide that access.

"Minnesota's Electric Transmission System Annual Adequacy Report" (the "Adequacy Report") underscores the importance of electricity transmission capability to provide both adequate system reliability to deliver electricity to Minnesotans and to expedite decarbonization of the electricity sector.

The Adequacy Report, with respect to the reliability of electric service, states:

[1] Bhandari, Vivek; Konidena, Rao; Poppert, William. *Modern Electricity Systems: Engineering, Operations, and Policy to address Human and Environmental Needs,* Wiley. Kindle Edition. 18, 346 (2022) (explaining the integration of DERs in the distribution system; exploring energy poverty, the role of transmission, and consumer benefits from a "transmission system delivering a diversity of supply").

> Adequate transmission is essential to ensure Minnesotans have reliable electric service. When there are areas with constraints or shortages in transmission capacity, there are more frequent power outages and lower power quality (which can affect sensitive equipment). Since Minnesotans depend heavily on reliable power in their homes and businesses, it is critical to ensure that electric service is as reliable as reasonably possible to minimize the cost to Minnesotans and Minnesota's economy.[2]

While reliability performance is an important requirement in the totality of the electricity generation and transmission system in Minnesota, so too is the urgent need for rapid decarbonization of the electricity sector.[3] In response to the climate crisis, the Minnesota legislature passed, and the governor signed into law, specific decarbonization requirements applicable to Xcel Energy.[4] With respect to the role of transmission in efforts to decarbonize electricity for Minnesotans and throughout the electricity grid, the Adequacy Report states:

> Upgrades to the high-voltage transmission system in Minnesota and across the region are likely to be needed to both maintain reliable service and meet Minnesota's carbon reduction goals as well as the energy policy goals of other states in the region. The regional high-voltage transmission system plays a critical role in providing reliable electricity to Minnesotans at the lowest possible cost.[5]

For some additional context in which to understand the MECP, the Adequacy Report

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[2] Minnesota Department of Commerce, *Minnesota's Electric Transmission System Annual Adequacy Report* [hereinafter "Adequacy Report"], available at https://www.lrl.mn.gov/docs/2024/mandated/240278.pdf, 11-12, (January 2024).

[3] Fifth National Climate Assessment, Chapter 2, *Climate Trends*, https://nca2023.globalchange.gov/chapter/2/#key-message-3 (November 2023), (offering a key message: "The more the planet warms, the greater the impacts—and the greater the risk of unforeseen consequences (very high confidence). The impacts of climate change increase with warming, and warming is virtually certain to continue if emissions of carbon dioxide do not reach net zero (very high confidence). **Rapidly reducing emissions would very likely limit future warming (very high confidence) and the associated increases in many risks (high confidence** [emphasis added]. While there are still uncertainties about how the planet will react to rapid warming and catastrophic future scenarios that cannot be ruled out, the future is largely in human hands.").

[4] Minn. Stat. § 216.1691, Sub. 2g (setting forth particular decarbonization requirements by 2040).

[5] *Adequacy Report.* at 5.

provides a macro perspective for transmission infrastructure. The Adequacy Report states:

> In July 2022, after two years of planning discussions, MISO approved an initial group of eighteen regional "backbone" 345-kV Long-range Transmission Projects (LRTP) in the Upper Midwest—called the Tranche 1 portfolio. Three of these projects are in Minnesota, and in 2023 all three had at least started the state approval processes needed for construction. **In addition, Xcel Energy, in 2023, applied to the Commission for a certificate of need and a route permit for an approximately 170-mile long proposed 345-kV double-circuit line between Sherburne County and Lyon County (Minnesota Energy Connection) in order to use the existing interconnection capacity at their retiring Sherco coal plants for new wind and solar projects** [emphasis added].[6]

Based on this information, the MECP should be understood to be part of a much larger strategy to provide the necessary service reliability for Minnesotans as well as a pathway to decarbonization. The significance of the decarbonization potential that could result from MECP is best expressed by Xcel Energy: "The double-circuit, 345 kilovolt transmission line will link up to 4,000 megawatts of new renewable energy to the grid, replacing electricity generated at the retiring Sherco coal plant."[7] Said another way, MECP is a critical building block in the reliability and decarbonization transition because, as one of two transmission lines, it "will connect thousands of megawatts of wind, solar, and/or storage resources to our Upper Midwest system [referring to Xcel's grid system].[8]

Clean renewable energy is providing Minnesotans with reliable electricity and decarbonization benefits. To meet decarbonization requirements in Minnesota, greater amounts of solar, wind energy, and battery storage must have access to the electricity transmission distribution system. MECP holds the potential to boost reliability and

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[6] *Id.*

[7] Xcel Energy, *Xcel Energy details proposed route for southwest Minnesota transmission line,* available at https://mn.my.xcelenergy.com/s/about/newsroom/press-release/xcel-energy-details-proposed-route-for-southwest-minnesota-transmission-line-MCWT7ECDAUBNHXZMNI65JV746AVE (September 5, 2024)

[8] Xcel Energy, *Informational Compliance Filing: Request for Information 2020-2034 Upper Midwest Integrated Resource Plan Certificate of Need for Two Gen-tie Lines from Sherburne County to Lyon County*, Minnesota Docket Nos. E002/RP-19-368 and E002/CN-22-131, eDockets 20225-185772-01, at 1 (May 13, 2022).

provide the necessary grid access for clean renewables.

CONCLUSION

Transmission system upgrades will be key to getting new renewables online as the energy sector transitions from fossil fuels to renewables. The MECP holds the potential to address system reliability, open access to renewables, and reduce greenhouse gas emissions. For these reasons, CEEM urges the Commission to grant the certificate of need for MECP while keeping a close eye on the project to ensure maximum transmission efficiency and greater access to and transmission of electricity from clean, renewable energy.