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April 2, 2024



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

**RE: In the Matter of Otter Tail Power Company's 2022-2036 Integrated  
Resource Plan  
Docket No. E017/RP-21-339  
Comprehensive Settlement Agreement**

Dear Mr. Seuffert:

Otter Tail Power Company hereby submits to the Minnesota Public Utilities Commission (Commission) in the above-referenced matter a Comprehensive Settlement Agreement by and among Otter Power Company; the Minnesota Department of Commerce, Division of Energy Resources; the International Union of Operating Engineers Local 49; the North Central States Regional Council of Carpenters; and the Laborers' International Union of North America. The Comprehensive Settlement Agreement addresses issues set forth in the Commission's Notice of Comment Period dated January 18, 2024.

We have electronically filed this document with the Commission and copies have been served on all parties on the attached service list. A Certificate of Service is also enclosed. Please contact me at 218-739-8989 or [njensen@otpc.com](mailto:njensen@otpc.com) if you have any questions regarding this filing.

Sincerely,

/s/ *NATHAN JENSEN*  
Nathan Jensen  
Manager, Resource Planning

kaw  
Enclosures  
By electronic filing  
c: Service List

**Comprehensive Settlement Agreement**  
Otter Tail Power's (OTP's) Integrated Resource Plan (IRP)  
Docket No. E17/RP-21-339

This Comprehensive Settlement Agreement (Settlement) is entered into as of April 1, 2024, by Otter Power Company (Otter Tail or OTP); the Minnesota Department of Commerce, Division of Energy Resources (DOC), the International Union of Operating Engineers Local 49 (IUOE Local 49), the North Central States Regional Council of Carpenters (NCSRC of Carpenters) and the Laborers' International Union of North America (LIUNA, each of OTP, DOC, IUOE Local 49, NCSRC of Carpenters, and LIUNA a "Party" and collectively, the "Parties"). This Settlement is intended to resolve all issues among the Parties and provide for a recommended decision to the Minnesota Public Utilities Commission (Commission) to comprehensively resolved Docket No. E17/RP-21-339 (this Docket or the IRP).

**INTRODUCTORY STATEMENT**

1. On September 21, 2021, Otter Tail filed its Application for Resource Plan Approval, 2022-2036. See MPUC Docket No. E17/RP-21-339.
2. On March 31, 2023, Otter Tail filed a Supplemental Preferred Plan.
3. On December 15, 2023, Otter Tail filed its Minnesota Preferred Plan with AME.
4. The Parties have engaged in ongoing discussions regarding Otter Tail's proposed resource plan and, as a result of those discussion, make the following recommendations to the Commission.

**TERMS OF SETTLEMENT**

**A. Recommendations to the Commission**

The Parties recommend that the Minnesota Public Utilities Commission approve Otter Tail's Minnesota Preferred Plan with AME as follows:

1. Approve the proposal to operate the MN share of Coyote Station as a capacity resource as soon as is reasonably possible to the extent that the solar resources contemplated in Section A.3, below are available to replace the energy from Coyote Station as follows:
  - a. When ordered by the MN Public Utilities Commission, Otter Tail will designate the Minnesota jurisdictional share (as determined by annual allocation process) of Coyote Station's capacity based on the then-in-use jurisdictional allocation

methods (approx. 70 MW as of 2023) as an “Available Maximum Emergency” (AME) resource beginning as soon as March 1, 2026.

- b. The costs and benefits of designating and operating the Minnesota Share of Coyote Station as an AME will be borne and received by customers residing in Minnesota. Such costs include the return of and return on rate base, fixed operating and maintenance costs, fixed fuel cost, any variable fuel costs associated with energy dispatched during an emergency, and any lost financial transmission rights attributable to the MN share of energy dispatched from the plant. Such benefits include reduced costs of variable fuel and variable operating costs (such as reagents) for energy not dispatched due to AME, continued receipt of capacity auction revenue, and capacity accreditation for the Minnesota jurisdictional share of Coyote Station.
  - c. Otter Tail will inform the Commission of the status of solar projects contemplated under this agreement and recommend replacement energy solutions accompanying AME implementation, including hedging options, as necessary until the projects reach commercial operation.
2. Authorize Otter Tail to begin the process of withdrawing from the Minnesota share of Coyote Station if Coyote Station is required to make a material, non-routine capital investment in the plant. OTP will, within 90 days of such occurrence, submit notice to the Commission in a changed circumstance filing which will identify the event creating the need for the filing and a recommendation from Otter Tail with respect to the best option to pursue in light of the changed circumstance. OTP will also annually file with the Commission a listing of all capital projects with a total plant cost over \$30 million.
3. Find that the resources specified by Otter Tail in its proposed Minnesota Preferred Plan with AME will help Otter Tail meet its Minnesota’s system capacity and Minnesota customers’ energy requirements. Further, Minnesota policy supports the addition of additional carbon free energy resources for Minnesota customers on Otter Tail’s system beyond those that Otter Tail proposed in its Minnesota Preferred Plan with AME. Therefore, between 2024-2030, Otter Tail will endeavor to develop the following carbon-free energy projects by the dates described, provided that all costs and benefits of such projects will be allocated to Minnesota customers, only. The carbon free projects are: (a) No less than 200 MW and up to 300 MW of solar resources with a commercial operation date of November 1, 2027, or as soon as practicable thereafter; (b) No less than 150 MW and up to 200 MW of wind resources with a commercial operation date of December 31, 2029 or as soon as practicable thereafter.

4. For renewable resource projects to be allocated solely to Minnesota under this Settlement, Otter Tail will give reasonable preference to projects located in Minnesota.
5. OTP will work with organized labor stakeholders to ensure that resource acquisitions and investments maximize the availability of high-quality employment and career opportunities for local workers by prioritizing investment in the utility's service territory and plant host communities, and the state of Minnesota through the employment of local workers and use of registered apprenticeship programs that have a proven track record of developing local and diverse skilled workforce.
6. Otter Tail will include in its next IRP modeling and resource options including mid and long-duration energy storage systems.
7. Otter Tail's proposal to add on-site LNG storage at its Astoria Natural Gas Facility, a jurisdictionally shared resource, is reasonable and prudent to protect system reliability and provide price protection for customers.
8. Otter Tail will file its next Minnesota IRP no later than May 15, 2026 in which Otter Tail will develop a plan which assumes Otter Tail will withdraw from the Minnesota share of Coyote Station as of December 31, 2031; provided that Otter Tail may present additional plans for consideration based on a comprehensive resource planning analysis.
9. Otter Tail's current resource project selection process results in selection of prudent projects. However, to ensure greater transparency into Otter Tail's resource selection process, Otter Tail will provide in its renewable resource eligibility filings a full narrative description and financial analysis demonstrating that the project selected was competitively superior to other alternatives available to the Company. The Company and DOC shall jointly develop relevant data points and fields for this analysis.

## **B. Additional Terms**

### **1. Confidentiality**

It is understood and agreed that all offers of settlement and discussions related to this Settlement are confidential and privileged and may not be used in connection with any proceeding other than this Proceeding, except as otherwise provided by law. In the event the Commission does not approve this Settlement, no part of it may be used by any party for any purposes in this Proceeding or in any other proceeding.

### **2. Complete Agreement**

This Settlement, along with any exhibits, appendices, schedules, and amendments hereto encompass the entire agreement of the Settling Parties and supersedes all previous understandings and agreements between the Settling Parties, whether oral or written.

### **3. Acceptance of Settlement**

The Settling Parties agree that this Settlement has been entered into as a resolution of the particular issues between them in order to minimize litigation, regulatory costs, and controversy. Further, issues raised by the Company in its initial filing and not addressed in this Settlement are generally considered uncontested for purposes of this Settlement. However, the Settling Parties further agree that, unless expressly stated herein or in pre-filed testimony or other exhibits a part of the record, this Settlement may not represent any party or witness's position in total or on any individual issue that the Settling Parties would have taken had the issues been fully litigated. Nor does the Settlement represent the position of a party on any issue for which it did not take a position in written testimony. Whether or not adopted by the Commission, this Settlement shall not be cited or otherwise used to imply what the Settling Parties' positions were, shall have no precedential effect in this or any other proceeding, and shall in no way prejudice the Settling Parties' rights to take different positions in the future.

### **4. Support and Defense of Settlement**

The Settling Parties agree to support and defend this Settlement in its entirety and without modification, in whatever additional form (if any) may be required by the Commission.

### **5. Counterparts**

This Settlement may be executed in counterparts, all of which, when taken together with its Attachments, shall constitute the entire Settlement.

[signatures on following page(s)]

**AGREED TO BY:**

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Otter Tail Power Company

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Date

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Minnesota Department of Commerce,  
Division of Energy Resources

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Date

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International Union of Operating  
Engineers Local 49, and  
North Central States Regional  
Council of Carpenters

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Date

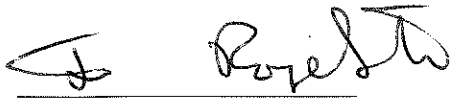
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Laborers' International Union of  
North America Minnesota and  
North Dakota (LIUNA)

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Date

AGREED TO BY:



Otter Tail Power Company

4/11/24

Date

Minnesota Department of Commerce,  
Division of Energy Resources

Date

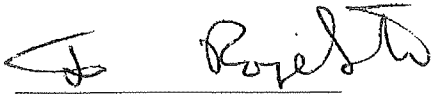
International Union of Operating  
Engineers Local 49, and  
North Central States Regional  
Council of Carpenters

Date

Laborers' International Union of  
North America Minnesota and  
North Dakota (LIUNA)

Date

AGREED TO BY:



Otter Tail Power Company

4/1/24

Date



Minnesota Department of Commerce,  
Division of Energy Resources

4/2/24

Date

International Union of Operating  
Engineers Local 49, and  
North Central States Regional  
Council of Carpenters

Date

Laborers' International Union of  
North America Minnesota and  
North Dakota (LIUNA)

Date



AGREED TO BY:



Otter Tail Power Company

4/1/24

Date

Minnesota Department of Commerce,  
Division of Energy Resources

Date



April 2, 2024

International Union of Operating  
Engineers Local 49, and  
North Central States Regional  
Council of Carpenters

Date

Laborers' International Union of  
North America Minnesota and  
North Dakota (LIUNA)

Date

AGREED TO BY:



Otter Tail Power Company

4/1/24

Date

Minnesota Department of Commerce,  
Division of Energy Resources

Date

International Union of Operating  
Engineers Local 49, and  
North Central States Regional  
Council of Carpenters

Date

*Kevin Pranis*

4/1/24

Laborers' International Union of  
North America Minnesota and  
North Dakota (LIUNA)

Date

## **CERTIFICATE OF SERVICE**

**RE: In the Matter of Otter Tail Power Company's 2022-2036 Resource Plan  
Docket No. E017/RP-21-339**

I, Kim Ward, hereby certify that I have this day served a copy of the following, or a summary thereof, on Will Seuffert and Sharon Ferguson by e-filing, and to all other persons on the attached service list by electronic service or by First Class Mail.

**Otter Tail Power Company  
Comprehensive Settlement Agreement**

Dated this **2<sup>nd</sup> day of April, 2024.**

/s/ KIM WARD

Kim Ward  
Lead Regulatory Filing Coordinator  
Otter Tail Power Company  
215 South Cascade Street  
Fergus Falls MN 56537  
(218) 739-8268

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Laura	Bishop	Laura.Bishop@state.mn.us	MN Pollution Control Agency	520 Lafayette Rd  Saint Paul, MN 55155	Electronic Service	No	OFF_SL_21-339_21-339
Ray	Choquette	rchoquette@agp.com	Ag Processing Inc.	12700 West Dodge Road PO Box 2047 Omaha, NE 68103-2047	Electronic Service	No	OFF_SL_21-339_21-339
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-339_21-339
Brooke	Cunningham	Health.Review@state.mn.us	Minnesota Department of Health	PO Box 64975  St. Paul, MN 55164-0975	Electronic Service	No	OFF_SL_21-339_21-339
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Barb	Freese	bfreese@mncenter.org	Minnesota Center for Environmental Advocacy	1919 University Ave W Ste 515  Saint Paul, MN 55104-3435	Electronic Service	No	OFF_SL_21-339_21-339

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Jessica	Fyhrie	jfyhrie@otpc.com	Otter Tail Power Company	PO Box 496 Fergus Falls, MN 56538-0496	Electronic Service	Yes	OFF_SL_21-339_21-339
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Nick	Kaneski	nick.kaneski@enbridge.co m	Enbridge Energy Company, Inc.	11 East Superior St Ste 125 Duluth, MN 55802	Electronic Service	No	OFF_SL_21-339_21-339
William D	Kenworthy	will@votesolar.org	Vote Solar	332 S Michigan Ave FL 9 Chicago, IL 60604	Electronic Service	No	OFF_SL_21-339_21-339
Kate	Knuth	kate.knuth@gmail.com		2347 14th Terrace NW New Brighton, MN 55112	Electronic Service	No	OFF_SL_21-339_21-339

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James D.	Larson	james.larson@avantenergy.com	Avant Energy Services	220 S 6th St Ste 1300 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-339_21-339
Eric	Lindberg	elindberg@mncenter.org	Minnesota Center for Environmental Advocacy	1919 University Avenue West Suite 515 Saint Paul, MN 55104-3435	Electronic Service	No	OFF_SL_21-339_21-339
Alice	Madden	alice@communitypowermn.org	Community Power	2720 E 22nd St Minneapolis, MN 55406	Electronic Service	No	OFF_SL_21-339_21-339
Kavita	Maini	kmairi@wi.rr.com	KM Energy Consulting, LLC	961 N Lost Woods Rd Oconomowoc, WI 53066	Electronic Service	No	OFF_SL_21-339_21-339
Andrew	Moratzka	andrew.moratzka@stoel.com	Stoel Rives LLP	33 South Sixth St Ste 4200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-339_21-339
Matthew	Olsen	molsen@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_21-339_21-339
Debra	Opatz	dopatz@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	No	OFF_SL_21-339_21-339
Kevin	Pranis	kpranis@liunagro.com	Laborers' District Council of MN and ND	81 E Little Canada Road St. Paul, MN 55117	Electronic Service	No	OFF_SL_21-339_21-339
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_21-339_21-339

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Stephan	Roos	stephan.roos@state.mn.us	MN Department of Agriculture	625 Robert St N Saint Paul, MN 55155-2538	Electronic Service	No	OFF_SL_21-339_21-339
Nathaniel	Runke	nrunke@local49.org	International Union of Operating Engineers Local 49	611 28th St. NW Rochester, MN 55901	Electronic Service	No	OFF_SL_21-339_21-339
John	Saxhaug	john_saxhaug@yahoo.com		3940 Harriet Ave Minneapolis, MN 55409	Electronic Service	No	OFF_SL_21-339_21-339
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th PI E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_21-339_21-339
Bria	Shea	bria.e.shea@xcelenergy.com	Xcel Energy	414 Nicollet Mall Minneapolis, MN 55401	Electronic Service	No	OFF_SL_21-339_21-339
Cary	Stephenson	cStephenson@otpc.com	Otter Tail Power Company	215 South Cascade Street Fergus Falls, MN 56537	Electronic Service	Yes	OFF_SL_21-339_21-339
Stuart	Tommerdahl	stommerdahl@otpc.com	Otter Tail Power Company	215 S Cascade St PO Box 496 Fergus Falls, MN 56537	Electronic Service	Yes	OFF_SL_21-339_21-339
Amelia	Vohs	avohs@mncenter.org	Minnesota Center for Environmental Advocacy	1919 University Avenue West Suite 515 St. Paul, MN 55104	Electronic Service	Yes	OFF_SL_21-339_21-339
Laurie	Williams	laurie.williams@sierraclub.org	Sierra Club	Environmental Law Program 1536 Wynkoop St Ste 200 Denver, CO 80202	Electronic Service	No	OFF_SL_21-339_21-339

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Patrick	Zomer	Pat.Zomer@lawmoss.com	Moss & Barnett PA	150 S 5th St #1200 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_21-339_21-339