

July 6, 2017

VIA ELECTRONIC FILING AND U.S. MAIL

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101-2147

Re: In the Matter of the Further Investigation into Environmental and Socioeconomic Costs Under Minn. Stat. § 216B.2422, Subd. 3

Response of Great River Energy, Minnesota Power, and Otter Tail Power Company to the Minnesota Large Industrial Group's Motion for the Commission to Take Notice or, in the Alternative, to Reopen the Record to Allow Introduction, of Presidential Executive Order on Promoting Energy Independence and Economic Growth dated March 28, 2017 and June 14, 2017 Public Comments by the White House Office of Information and Regulatory Affairs (OIRA)

MPUC Docket No. E999-CI-14-643
OAJ Docket No. 80-2500-31888

Dear Mr. Wolf:

In connection with the above-referenced docket, please find enclosed for filing, on behalf of Great River Energy, Minnesota Power, and Otter Tail Power Company ("GRE/MP/OTP"), the following documents:

1. Response of Great River Energy, Minnesota Power, and Otter Tail Power Company to the Minnesota Large Industrial Group's Motion for the Commission to Take Notice or, in the Alternative, to Reopen the Record to Allow Introduction, of Presidential Executive Order on Promoting Energy Independence and Economic Growth dated March 28, 2017 and June 14, 2017 Public Comments by the White House Office of Information and Regulatory Affairs (OIRA); and
2. Certificate of Service with service list.



July 6, 2017
Page 2

Thank you for your attention to this matter. Please feel free to contact me at (612) 492-6853 if you have any questions related to this filing or if additional information is required.

Very truly yours,

DORSEY & WHITNEY LLP

/s/ Colin Wicker

Colin Wicker

CW/tjb
Enclosures

cc: Service List (via e-filing) (with encl.)

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

Nancy Lange	Chair
Dan Lipschultz	Commissioner
Matthew Schuerger	Commissioner
John Tuma	Commissioner
Katie Sieben	Commissioner

In the Matter of the Further Investigation into
Environmental and Socioeconomic Costs
Under Minn. Stat. § 216B.2422, Subd. 3

MPUC Docket No. E-999/CI-14-643
OAH Docket No. 80-2500-31888

**Response of Great River Energy, Minnesota Power, and Otter Tail Power Company
to the Minnesota Large Industrial Group's Motion for the Commission to Take Notice or,
in the Alternative, to Reopen the Record to Allow Introduction, of Presidential Executive
Order on Promoting Energy Independence and Economic Growth dated March 28, 2017
and June 14, 2017 Public Comments by the White House Office of Information and
Regulatory Affairs (OIRA)**

Carbon Dioxide

July 6, 2017

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I. INTRODUCTION

On April 15, 2016, the ALJ issued her Findings of Fact, Conclusions, and Recommendations for the Carbon Dioxide portion of this matter (the “CO₂ Recommendations”), and the various parties then filed exceptions and replies to exceptions. In the subsequent months, there have been developments which are relevant to the Commission’s consideration of what carbon dioxide environmental cost value to adopt for use in utility resource planning. On June 30, 2017, the Minnesota Large Industrials Group filed a motion asking the Commission to either take notice of an Executive Order recently issued by the President and related public comments made by a staff member of the White House Office of Information and Regulatory Affairs or re-open the record to allow consideration of those materials. Great River Energy, Minnesota Power, and Otter Tail Power Company (collectively, “GRE/MP/OTP”) submit this response to that motion pursuant to Minn. R. 7829.0410. Respectfully, GRE/MP/OTP suggest that the Commission grant the motion made by the Minnesota Large Industrials and also grant the parties the opportunity to submit written comments prior to the hearing on this matter.

II. ARGUMENT

It has been more than fourteen months since the ALJ issued her CO₂ Recommendations and during that period there have been various developments which are particularly significant for the Commission’s consideration of the Social Cost of Carbon (“SCC”) value previously promulgated by the Federal Government’s former Interagency Working Group (“IWG”). In addition to the developments highlighted by the Minnesota Large Industrials, the National Academies of Sciences, Engineering, and Medicine have issued reports on the IWG’s SCC, related policymaking has occurred at the State and Federal levels, and there have been significant changes in the energy markets, including continuing retirements of coal-fired generation facilities and a continued increase in generation from renewable sources. In short, it has been an

unusually consequential fourteen months for matters relevant to the Commission's decision regarding the environmental cost of carbon dioxide.

Under Minn. Stat. § 14.60, subd. 4, the Commission has broad authority to take notice of "general, technical, or scientific facts within" its "specialized knowledge" provided parties are notified and given an opportunity to respond. In this instance, it would be wise to use that power to consider the documents submitted by the Minnesota Large Industrials, as well as other new and consequential documents and developments as other parties may submit or bring to the Commission's attention if given the opportunity. The Commission, the record and the public would be best served by an orderly comment process, rather than ad hoc, oral statements and submissions made during a hearing. The Commission should only engage in final decision-making after considering relevant and up-to-date information and such arguments as the parties may make regarding that information.

GRE/MP/OTP suggest that the Commission accept written comments regarding recent developments that have occurred since the ALJ issued her CO₂ Recommendations. Accepting and considering the materials submitted by the Minnesota Large Industrials is appropriate, but the Commission will be best placed to make its decision in this matter if it goes further and the parties are given the opportunity to provide written comments regarding the implications of those and other relevant documents and developments. As the ALJ and all parties have recognized, the public policy and environmental economic considerations in this matter are complex, and the parties will be in the best position to explain their positions on the implications of recent developments for those positions if they are allowed to do so in writing. Ultimately, the hearing before the Commission will be more productive if the Commissioners are given the opportunity to receive and consider written comments from the parties.

We recognize that allowing for written comments may delay the Commission's ultimate decision in this matter. However, even if this matter is delayed by a few months, such delay will not hinder Minnesota's efforts to reduce carbon dioxide emissions. Favorable market conditions and state-level regulatory policies have continued retirements of coal plants at an impressive pace and new generation from renewable sources is being brought on line as a result of declining costs and increased demand. Those large-scale market trends will not be impacted by a pause for the parties to provide their comments and for the Commission to give careful consideration to the implications of recent developments that may impact the decision to update the carbon dioxide environmental cost value.

III. CONCLUSION

GRE/MP/OTP respectfully request that the Commission grant the Minnesota Large Industrials' motion and that the Commission also grant the parties the opportunity to file written comments regarding (1) developments since September 30, 2015 relevant to the issues addressed in the proceeding, and (2) their specific recommendations regarding how the Commission should proceed in updating the carbon dioxide environmental cost value.

Dated: July 6, 2017

DORSEY & WHITNEY LLP

By: /s/ B. Andrew Brown

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ENERGY, MINNESOTA POWER, AND
OTTER TAIL POWER COMPANY

CERTIFICATE OF SERVICE

In the Matter of the Further Investigation into Environmental and Socioeconomic Costs
Under Minnesota Statute Section 216B.2422, Subdivision 3
MPUC Docket No. E999-CI-14-643
OAJ Docket No. 80-2500-31888

I, Colin Wicker, hereby certify that on this 6th day of July 2017, on behalf of Great River Energy, Minnesota Power, and Otter Tail Power Company, I electronically filed true and correct copies of the following documents with the Minnesota Public Utilities Commission (“PUC”) and served via electronic filing to all persons indicated on the attached service list:

1. Response of Great River Energy, Minnesota Power, and Otter Tail Power Company to the Minnesota Large Industrial Group’s Motion for the Commission to Take Notice or, in the Alternative, to Reopen the Record to Allow Introduction, of Presidential Executive Order on Promoting Energy Independence and Economic Growth dated March 28, 2017 and June 14, 2017 Public Comments by the White House Office of Information and Regulatory Affairs (OIRA)
2. Certificate of Service.

Dated this 6th day of July, 2017

/s/ Colin Wicker
Colin Wicker

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