

SOUTHERN MINNESOTA
MUNICIPAL POWER AGENCY

Bringing power to your life.

June 30, 2014

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

RE: In the Matter of a Commission Investigation into a Multi-State Tracking and Trading System for Renewable Energy Credits Docket Number E999/CI-04-1616

Dear Dr. Haar,

In response to the Minnesota Public Utilities Commission Notice issued May 28, 2014 in the above referenced dockets, Southern Minnesota Municipal Power Agency hereby submits its comments.

This filing has been served on all persons on the attached service lists by electronic service or by first class mail.

Thank you for the opportunity to comment on RES eligibility of imported Michigan RECs. Should you have any questions, please contact me at 507.292.6440 or lw.johnston@smpa.org.

Regards,

Larry Johnston
Director of Corporate Development, Agency Relations, and
Officer of Legislative and Regulatory Affairs

LWJ:nw:2k14011
enclosure
cc: Service List



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

Beverly Jones Heydinger
David C. Boyd
Nancy Lange
Betsy Wergin
Dan Lipschultz

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Commission Investigation into
A Multi-State Tracking and Trading System
for Renewable Energy Credits

**SOUTHERN MINNESOTA
MUNICIPAL POWER AGENCY
COMMENTS**
Docket No. E999/CI-04-1616

Southern Minnesota Municipal Power Agency (SMMPA) is filing these Comments in response to the Commission's May 28, 2014 Notice of Comment Period on REC Eligibility in the above referenced matter. The Commission is seeking comment on:

1. M-RETS' decision to allow the importing of Michigan RECs.
2. Whether the Commission should determine that wind and solar RECs imported from the Michigan tracking system are eligible for Minnesota RES Compliance if 1 MWh equals one Renewable Energy Certificate.
3. Whether the Commission should state that other types of RECs from the Michigan Tracking system, such as hydroelectric and biomass RECs, would need specific approval from the Commission prior to a Minnesota utility retiring them for Minnesota RES compliance.

The Minnesota Commission supported the development of M-RETS, a multi-state tracking and trading system because it recognized the need to develop a robust tracking system that would: 1) ensure vigorous tracking to prevent the potential for double counting, 2) encourage the development of renewable resources – by encouraging a system of RECs which could be utilized throughout the country, 3) provide utilities with portfolio flexibility to assist in cost-effective compliance, and 4) create this robust system in a least-cost manner by developing the system on a multi-state footprint.

M-RETS has accomplished the goals listed above. Commission staff has played an important role in helping guide the development of the Operating Procedures which have produced this robust system. SMMPA supports M-RETS decision to allow the importing of Michigan RECs, and the rigorous procedures developed for implementing those imports.

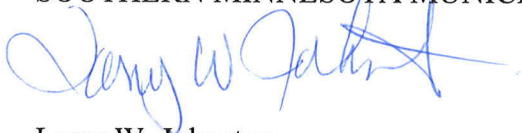
That rigorous implementation procedure ensures that RECs imported from the Michigan tracking system reflect the fact that 1 REC represents 1 MWh of renewable generation. SMMPA believes that wind and solar RECs imported from the Michigan system should be eligible for Minnesota RES compliance.

The M-RETS system is designed to reduce administrative burdens associated with state implementation/compliance by requiring that imported technology RECs be flagged as eligible or ineligible for respective state compliance. SMMPA believes that other types of Michigan RECs, which meet the Minnesota statutory definitions of "eligible energy technology" as outlined in 216B.1691 subd. (1) (a), should be flagged as eligible for Minnesota RES compliance and no further investigation or approval should be needed or required.

Thank you for the opportunity to provide comment on Minnesota's investigation of importation of Michigan RECs. Should you have any questions regarding our comments, please contact me.

Respectfully,

SOUTHERN MINNESOTA MUNICIPAL POWER AGENCY



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