

*Attorneys At Law*

332 Minnesota Street  
Suite W2750  
St. Paul, MN 55101  
Telephone: 651-767-3740  
Facsimile: 651-228-9161  
[www.martinsquires.com](http://www.martinsquires.com)

February 4, 2015

*Richard J. Savelkoul*  
*Direct Dial # 651-767-3745*  
[rsavelkoul@martinsquires.com](mailto:rsavelkoul@martinsquires.com)

**COPY VIA E-MAIL: [kate.kahlert@state.mn.us](mailto:kate.kahlert@state.mn.us)**  
**ORIGINAL VIA U.S. MAIL**

Kate Kahlert  
Minnesota Public Utilities Commission  
121 Seventh Place East, Suite 350  
St. Paul, MN 55101

Re: In the Matter of Possible Amendments to Rules Governing Cogeneration and  
Small Power Production, *Minnesota Rules* Chapter 7835; Docket No. E-999/R-13-729  
Our File No. 2177-01

Dear Ms. Kahlert

These comments are written on behalf of the City of Minneapolis, Hennepin County, the Metropolitan Council and Metropolitan Airports Commission to proposed changes to the proposed rules as previously filed.

These comments are also being electronically filed in the above-referenced docket.

Sincerely,

/e/ Richard J. Savelkoul  
Richard J. Savelkoul

RJS:wsl

cc: Service List  
Larry Schedin (via email)  
Kavita Maini (via email)

STATE OF MINNESOTA  
BEFORE THE PUBLIC UTILITIES COMMISSION

---

In the Matter of Possible Amendments to  
Rules Governing Cogeneration and Small  
Power Production, *Minnesota Rules* Chapter  
7835

MPUC Docket No. E-999/R-13-729

---

CITY OF MINNEAPOLIS, HENNEPIN COUNTY AND  
THE METROPOLITAN COUNCIL AND THE METROPOLITAN  
AIRPORTS COMMISSION COMMENTS

---

**I. EXECUTIVE SUMMARY**

The City of Minneapolis, Hennepin County, Metropolitan Council and Metropolitan Airports Commission (the “Large Government Consumer Group”) propose that the proposed rules be modified to incorporate the Federal requirements for qualified facilities and add consideration of accredited capacity or avoided capacity needs that benefit a system’s ratepayers to the extent that a facility with 1,000 Kw capacity or more brings to a system.

**II. ANALYSIS OF INDIVIDUAL RULES**

**7835.0100 - Definitions**

**Subp. \_\_\_\_\_ “Accredited Capacity”**

**Accredited Capacity.** “Accredited Capacity” means the capacity of a qualifying facility determined by the MidContinent Independent System Operator (“MISO”), or such governing organization that replaces MISO, that allows the facility’s Accredited Capacity to be included as part of a Load Serving Entity’s plan for resource adequacy.

**7835.4020 – Amount of Capacity Payments; Considerations**

The qualifying facility which negotiates a contract under part 7835.4019 must be entitled to the full avoided capacity costs of the utility if the utility needs capacity within a 10-year planning period. The amount of capacity payments must be determined through consideration of the following, without requirement that all be met:

- A. the capacity factor of the qualifying facility;

- B. the cost of the utility's avoidable capacity;
- C. the length of the contract term;
- D. reasonable scheduling of maintenance;
- E. the willingness and ability of the qualifying facility to provide firm power during system emergencies;
- F. the willingness and ability of the qualifying facility to allow the utility to dispatch its generated energy;
- G. the willingness and ability of the qualifying facility to provide firm capacity during system peaks;
- H. the sanctions for noncompliance with any contract term; ~~and~~
- I. the smaller capacity increments and the shorter lead times available when capacity is added from qualifying facilities, and
- J. The expected Accredited Capacity, capacity value or expected capacity value to the utility in its resource plan.

These changes are needed to both bring the rules into compliance with PURPA laws<sup>1</sup> and allow for consideration of the resource planning benefits that a distributed generation facility brings to the utility's system.

Dated: February 4, 2015

Respectfully submitted,

/e/ Richard J. Savelkoul

Richard J. Savelkoul

**Martin & Squires**

Attorney for Large Government Consumers Group

332 Minnesota Street, Suite W2750

St. Paul, MN 55101

Phone: (651) 767-3740

---

<sup>1</sup> Public Utility Regulatory Policies Act of 1978, as amended, (PURPA) 18 CFR 292.303(b) requires capacity payments to Qualified Facilities if the utility has capacity need during the succeeding ten years.

## CERTIFICATE OF SERVICE

I, Wendy S. Latuff, hereby certify that I have this day, served a true and correct copy of the following to all persons at the addresses on the attached list by electronic filing, electronic mail, courier, interoffice mail or by depositing the same enveloped with postage paid in the United States mail at St. Paul, Minnesota.

### **LARGE GOVERNMENT CONSUMER GROUP COMMENTS**

Docket Number **E-999-R-13-729**

Dated this **4th** day of **February, 2015**

/s/ Wendy S. Latuff

## Service List Member Information

## Electronic Service Member(s)

Last Name	First Name	Email	Company Name	Delivery Method	View Trade Secret
Anderson	Julia	Julia.Anderson@ag.state.mn.us	Office of the Attorney General-DOC	Electronic Service	Yes
Ferguson	Sharon	sharon.ferguson@state.mn.us	Department of Commerce	Electronic Service	No
Greiveldinger	Michael	michaelgreiveldinger@alliantenergy.com	Interstate Power and Light Company	Electronic Service	No
Hoyum	Lori	lhoyum@mnpower.com	Minnesota Power	Electronic Service	No
Lehman	Paul J.	paul.lehman@xcelenergy.com	Xcel Energy	Electronic Service	No
Lindell	John	agorud.ecf@ag.state.mn.us	Office of the Attorney General-RUD	Electronic Service	Yes
Mason	Samuel	smason@beltramelectric.com	Beltrami Electric Cooperative, Inc.	Electronic Service	No
Prazak	David G.	dprazak@otpc.com	Otter Tail Power Company	Electronic Service	No
Savelkoul	Richard	rsavelkoul@martinsquires.com	Martin & Squires, P.A.	Electronic Service	No
Wolf	Daniel	dan.wolf@state.mn.us	Public Utilities Commission	Electronic Service	Yes

## Paper Service Member(s)

Last Name	First Name	Company Name	Address	Delivery Method	View Trade Secret
Baker	Kenneth	Wal-Mart Stores, Inc.	2001 SE 10th St., Bentonville, AR-72716-5530	Paper Service	No
Johnson	Joel	Minnesota Rural Electric Association	11640 73rd Ave N, Maple Grove, MN-55369	Paper Service	No
Kefer	Jennifer	Alliance for Industrial Efficiency	David Gardiner & Associates, LLC, 2609 11th St N, Arlington, VA-22201-2825	Paper Service	No
Ruccolo	Erin	Fresh Energy	408 St. Peter Street., St. Paul, MN-55102	Paper Service	No
Sharkey	Patricia F.	Midwest Cogeneration Association	P.O. Box 87374, Carol Stream, IL-60188	Paper Service	No