

**STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION**

In the Matter of the Petition of Northern States
Power Company d/b/a Xcel Energy for
Approval of Competitive Resource
Acquisition Proposal

**GERONIMO ENERGY'S
EXCEPTIONS TO THE
ALJ'S REPORT**

I. INTRODUCTION

The Administrative Law Judge's Findings of Fact, Conclusions of Law and Recommendation in the above-referenced matter (the "ALJ Report") provide a comprehensive and solid foundation for the Minnesota Public Utilities Commission's ("Commission") decision in this docket. After thoroughly reviewing the facts in this competitive resource acquisition process, the ALJ recommends that the Commission select Geronimo Wind Energy, LLC d/b/a Geronimo Energy, LLC's ("Geronimo") Distributed Solar Proposal as the most reasonable and prudent resource to meet Xcel's identified need in the 2017-2019 timeframe because it provides the "greatest value to Minnesota and Xcel's ratepayers" and "deserves application of the statutory preference" for renewable resources provided under Minnesota law.¹ In addition, the ALJ recommends that the Commission select Great River Energy's market capacity proposal if the Commission determines additional capacity beyond the 71 MW provided by the Distributed Solar Proposal is needed before the end of 2019.

The ALJ's recommendations capture both the law and the facts in this case, and Geronimo fully supports the Commission's adoption of the ALJ Report. Geronimo submits

¹ ALJ Report at 47-48.

these limited exceptions to correct or clarify several minor factual issues contained within the ALJ's Report.

II. EXCEPTIONS

A. Wind Acquisition

In July and September 2013, Xcel filed petitions with the Commission seeking approval of an additional 750 MW of wind generation.² The Commission determined that Xcel's plans to acquire additional wind constituted a changed circumstance to its resource plan, and Xcel filed a Notice of Changed Circumstances in the present docket reflecting those changes.³ In summarizing this activity, the ALJ Report states that the 600 MW of wind energy described in Docket No. E002/M-13-603 would be "placed in service between 2017 and 2019."⁴ These projects, however, are planned to be placed in service in 2015 but, because of existing transmission constraints, are not expected to provide Xcel with accredited capacity until 2021.⁵ Similarly, the Borders Wind project acquisition in Docket No. E002/M-13-716 also faces transmission constraints and is expected to provide Xcel accredited capacity beginning in 2021.⁶ Geronimo recommends Finding Nos. 15 and 16 be amended to correctly reflect these dates as follows:

² *In the Matter of the Petition of Xcel Energy for Approval of the Acquisition of 600 MW of Wind Generation*, Docket No. E-002/M-13-603 and *In the Matter of the Petition of Xcel Energy for Approval of the Acquisition of 150 MW of Wind Generation*, Docket No. E-002/M-13-716..

³ Order Requiring Notice of Changed Circumstances and Granting Intervention, Dockets Nos. E-002/RP-10-825, E-002/CN-12-1240, E-002/M-13-603, E-002/M-13-716 (October 4, 2013).

⁴ ALJ Report, Finding No. 15.

⁵ Xcel Petition, *In the Matter of the Petition of Xcel Energy for Approval of the Acquisition of 600 MW of Wind Generation*, Docket No. E002/M-13-603 at 10, 33-34.

⁶ Xcel Petition, *In the Matter of the Petition of Xcel Energy for Approval of the Acquisition of 150 MW of Wind Generation*, Docket No. E002/M-13-716, at 18.

15. On July 16, 2013, Xcel filed a petition for approval of 600 MW of wind generation. While these projects are expected to be placed in service in 2015, depending upon the availability of transmission upgrades, Xcel forecasted that these wind generation resources would be placed into service between 2017 and 2019. will not provide accredited capacity until 2021. [Footnote omitted.]

16. On August 9, 2013, Xcel filed a petition for approval of an additional 150 MW of wind generation. Xcel projected that these wind resources would be operational and available to Xcel by 2015 but would not provide accredited capacity until 2021. [Footnote omitted].

B. Geronimo Pricing Proposal

Finding 115 describes Geronimo's two pricing proposals. The finding accurately reflects Geronimo's Solar Proposal but could be further clarified by noting that both pricing proposals include all renewable or solar energy credits and environmental attributes.⁷ Geronimo recommends adding the following language to Finding No. 115:

115. Geronimo submitted two different pricing proposals. The first includes a fixed monthly payment per kilowatt (kW) for capacity and an energy payment for all energy generated by the project. The second pricing proposal is an energy-only payment that bundles all capacity, energy and environmental attributes into a dollars per megawatt hour price. Both pricing proposals include all renewable or solar energy credits and environmental attributes. [Footnote omitted.]

C. Present Value of Revenue Requirements

Geronimo recommends correcting Finding No. 151 to reflect that "PVRR" stands for Present Value of Revenue Requirements, not present value rate of return.⁸ The corrected finding should read:

151. The \$1.55 million cost was reasonably included in a post-model Present Value ~~Rate of Return~~ of Revenue Requirements (PVRR) adjustment for all scenarios and contingencies evaluating Calpine's proposal.[Footnote omitted.]

⁷ Geronimo Solar Proposal, at 19.

⁸ Evidentiary Hr'g Tr. ("Tr.") vol. 1 at 103: 24-25.

D. Forecasted Future Needs

Both Xcel and the Department offered testimony stating that Xcel's needs in the 2017-2019 timeframe exceeded 300 MW.⁹ This identified need had a significant impact on the resource combinations selected through the Strategist modeling analyses undertaken by Xcel and the Department.¹⁰ Finding No. 181 summarizes this identified capacity need. While it accurately reflects Xcel's analyses, it inaccurately reflects the Department's Strategist analysis. The Department agreed that Xcel's need was in the range of 307 MW,¹¹ but the Department's second round of analysis also analyzed certain smaller "stand-alone" resources. When the Department modeled these smaller generation resources, generic resources were added to the model to meet the overall identified need.¹² Geronimo recommends that Finding No. 181 be modified to more accurately reflect the record on this point. The accompanying footnote 181 should also be amended to correct a typo in the page number reference to Mr. Wishart's Direct Testimony and to add a reference to Dr. Rakow's Direct Testimony addressing this issue. Geronimo recommends the following clarifications to address these issues:

181. Both the Department and Xcel identified a need exceeding 300 MW. Accordingly, Xcel only evaluated combinations of energy plants that produced 300 MW by 2019, and the Department added generic units to its model to supplement generation resources smaller than the identified need.¹⁸¹

Footnote 181. Ex. 46 at ~~25-27~~ 23-26 (Wishart Direct); Ex. 83 at 26, 29-31 (Rakow Direct); Ex. 86 at 3 (Rakow Rebuttal).

⁹ Ex. 46 at 23-26 (Wishart Direct) and Ex. 86 at 3 (Rakow Rebuttal).

¹⁰ Tr. vol. 1 at 105:1-9 and 107:10-13 and Ex. 83 at 29-31 (Rakow Direct).

¹¹ Ex. 86 at 3 (Rakow Rebuttal).

¹² Ex. 83 at 29-31 (Rakow Direct).

IV. CONCLUSION

Geronimo respectfully requests that the Commission adopt Judge Lipman's Findings of Fact, Conclusions of Law and Recommendations and address the minor exceptions and modifications described above in its final Order.

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Respectfully submitted,

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