

January 28, 2020

Ryan Barlow  
Acting Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
Saint Paul, Minnesota 55101-2147

**RE: Response Comments of the Minnesota Department of Commerce, Division of Energy Resources**  
Docket No. ET6/RP-19-416

Dear Mr. Barlow:

On November 7, 2019 the Minnesota Department of Commerce, Division of Energy Resources (Commerce) submitted its initial comments in the matter of Minnkota Power Cooperative, Inc.'s and Northern Municipal Power Agency's (together, the Joint System) 2019 Integrated Resource Plan (IRP). As part of its conclusions and recommendations, the Department stated:

In reply comments or before, the Department recommends that the Joint System comply with the Commission's August 5, 2013 letter regarding integrated resource plan requirements, and submit an evaluation of the Joint System's progress towards meeting Minnesota's greenhouse gas emissions reduction goal, including comparing its actual 2015 CO<sub>2</sub> emissions and projected 2025 emissions to the Joint System's actual 2005 CO<sub>2</sub> emissions.

On January 8, 2020 the Joint System submitted its Reply Comments. The Reply Comments consisted of the Joint System's calculation of its projected CO<sub>2</sub> emission reductions. The Joint System projected that its CO<sub>2</sub> emissions will decline by approximately 55 percent by 2036 (from the Joint System's 2005 emissions level). Beginning with 2026, the Joint System's projected reductions assume implementation of Project Tundra, a project to capture 90 percent of the CO<sub>2</sub> emissions from the Young 2 lignite-coal generation facility.

The Department concludes that although Minnkota should have included additional scenario analyses that did not assume approval and success of carbon sequestration, the Cooperative's analysis is adequate until the Cooperative submits its next resource plan.<sup>1</sup>

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<sup>1</sup> The Cooperative's next resource plan is currently due at the end of June 2021, approximately 17 months away. On page 5 of its Reply Comments, Minnkota stated that it anticipates determining the plausibility of moving forward with Project Tundra within the next 18 months.

Based on our review of Minnkota's Reply Comments, the Department updates its recommendations to the following.

1. *FORECAST*

The Department recommends that the Commission accept the Joint System's forecast for planning purposes.

2. *RESOURCE NEEDS*

For its next IRP, the Department recommends that the Joint System update the Commission on the impact of the Regional Haze Rule on Coyote's operations and thus, on the Joint System's resource needs.

3. *GREENHOUSE GAS EMISSIONS REDUCTION GOAL*

In its next IRP, the Department recommends that the Joint System comply with the Commission's August 5, 2013 letter regarding integrated resource plan requirements, and submit an evaluation of the Joint System's progress towards meeting Minnesota's greenhouse gas emissions reduction goal, including comparing its actual 2015 CO<sub>2</sub> emissions and projected 2025 emissions to the Joint System's actual 2005 CO<sub>2</sub> emissions. The Cooperative should include scenarios that do not assume approval and success of carbon sequestration.

Sincerely,

/s/ CHRISTOPHER T. DAVIS  
Analyst Coordinator

CTD/ja

## **CERTIFICATE OF SERVICE**

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

**Minnesota Department of Commerce  
Response Comments**

**Docket No. ET6/RP-19-416**

Dated this **28<sup>th</sup>** day of **January 2020**

**/s/Sharon Ferguson**

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Ryan	Barlow	ryan.barlow@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350  St. Paul, MN 55101214	Electronic Service	Yes	OFF_SL_19-416_RP-19-416
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800  St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_19-416_RP-19-416
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280  Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_19-416_RP-19-416
Jamie	Overgaard	jovergaard@minnkota.com	Minnkota Power Cooperative, Inc.	5301 32nd Ave S  Grand Forks, ND 58201	Electronic Service	No	OFF_SL_19-416_RP-19-416
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_19-416_RP-19-416