**COMMERCE DEPARTMENT**

August 31, 2020

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. E015/M-20-557

Dear Mr. Seuffert:

Attached are the Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department), in the following matter:

In the Matter of Minnesota Power's 2020 Solar Renewable Factor within Its Renewable Resources Rider.

The Petition was filed on June 30, 2020 by:

Lori Hoyum, Regulatory Compliance Administrator
Minnesota Power
30 West Superior Street
Duluth, MN 55802
(218) 355–3601
lhoyum@mnpower.com

The Department recommends that the Minnesota Public Utilities Commission (Commission) **approve Minnesota Power's petition as modified, pending provision of the additional information requested by the Department**. The Department is available to answer any questions that the Commission may have in this matter.

Sincerely,

/s/ SUE PEIRCE
Rates Analyst Coordinator

/s/ GEMMA MILTICH
Financial Analyst, CPA

SP/GM/ja
Attachment

# Before the Minnesota Public Utilities Commission

## Comments of the Minnesota Department of Commerce
## Division of Energy Resources

Docket No. E015/M-20-557

## I. INTRODUCTION

As a component of its existing Renewable Resource Rider (RRR),[1] on June 30, 2020, Minnesota Power (MP or the Company) submitted a filing (Petition) requesting that the Minnesota Public Utilities Commission (Commission) approve rate rider cost recovery from MP's retail customer classes for certain Company expenditures associated with three previously approved solar projects/programs. The relevant docket background for these three solar projects/programs can be summarized as follows:

- On February 24, 2016, the Commission approved MP's proposed Camp Ripley Solar Project (Camp Ripley).[2] Pursuant to Minn. Stat. §216B.1645, the Commission authorized MP's future recovery of investments for Camp Ripley through the Company's RRR, stipulating that the cost recovery be based on actual, reasonable and prudently incurred project expenditures, not to exceed $30 million.

- On July 27, 2016, the Commission approved MP's proposal to offer a Community Solar Garden (CSG) Pilot and authorized recovery of certain CSG investments through the Company's RRR.[3]

- On February 10, 2017, the Commission approved an expansion to MP's SolarSense Program and authorized recovery of certain SolarSense expenses through the Company's RRR.[4]

In its Petition, MP proposes Solar Renewable Factor rates through which to recover actual and projected expenses and capital costs associated with the Company's Camp Ripley Solar Project, Community Solar Garden Pilot, and SolarSense Program. MP requests an effective date of January 1, 2021 for its proposed Solar Renewable Factor rates.

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[1] Minnesota Power filed its most recent RRR update in Docket No. E015/M-19-523.

[2] In the Matter of the Petition of Minnesota Power for Approval of Investments and Expenditures in the Camp Ripley Solar Project for Recovery through Minnesota Power's Renewable Resources Rider under Minn. Stat. §216B.1645 and Related Tariff Modifications, *Order Granting Petition in Part and Requiring Reevaluation of Solar Energy Adjustment Rider,* E015/M-15-773, February 24, 2016.

[3] In the Matter of a Petition by Minnesota Power for Approval of a Community Solar Garden Pilot Program, Small-Scale Solar Energy Standard Compliance Eligibility, and a Method for Program Cost Recovery, *Order Approving Pilot Program with Modifications*, Docket No. E015/M-15-825, July 27, 2016.

[4] In the Matter of the Petition for Approval of Minnesota Power's New SolarSense Customer Solar Program, *Order Approving Program Changes, Denying Cost Recovery in Part, requiring Annual Report and Requiring Compliance Filing,* Docket No. E015/M-16-485, February 10, 2017.

Minnesota Statutes §216B.1691, Subd. 2f(f) exempts customers in the iron mining extraction and processing facilities and paper mill, and wood products manufacturers from being charged for utility costs associated with meeting the Solar Energy Standard (SES).

## II. SUMMARY OF THE FILING

The instant Petition represents the Company's first Solar Renewable Factor proposals and includes requests for recovery of actual solar expenditures for the period of 2016 – 2019 and projected solar expenditures for 2020. MP allocated its requested cost recovery among its SES-Nonexempt retail customer classes. As discussed later in the instant Comments, the Company proposes to charge its SES-Exempt customers for a small amount for the benefit of the solar capacity provided by these projects, using the methodology approved by the Commission in its Point 83 of its March 12, 2018 *Order* in Docket No. E015/GR-16-664.

### *A. PURPOSE OF RATE RIDER*

Rate riders adjust rates set in the utility's most recent general rate case to recover certain qualifying costs from and provide associated credits to customers over a specific period of time. Approval of the Company's proposed Solar Renewable Factor would allow the Company to bill its customers at specific rider rates, in addition to its established base rates, for select incremental costs associated with solar renewable energy.

### *B. PROPOSED REVENUE REQUIREMENTS AND SOLAR RENEWABLE FACTOR RATES*

The following table summarizes the Company's proposed revenue requirements for its actual (2016 – 2019) and projected (2020) solar expenditures:

**Table 1: Minnesota Power's Requested Revenue Requirement Adjustments for 2016 - 2020[5]**

| *Solar Project or Program* | *Revenue Requirement* |
|---|---|
| Camp Ripley Solar Project | $7,150,343 |
| Community Solar Garden Pilot | $16,984 |
| SolarSense Program | $2,983,909 |
| *Total Requested Revenue Requirement* | $10,151,236 |

[5] Data in Table 1 retrieved from Petition Exhibit B-2.

The Company is requesting approval to recover the $10,151,236 total revenue requirement (see the preceding Table 1) through its proposed Solar Renewable Factor rates, which would be applicable to electric service under all of MP's retail rate schedules, except for Rate Codes 73 and 79 under the Competitive Rate Schedules. Consistent Minn. Stat., 216B.1691, subd. 2f(f), MP proposes to recover its expenditures incurred to meet Minnesota's SES from SES-Nonexempt customers, but not from SES-Exempt customers.[6] However, because the Company's solar activities provide capacity benefits to both SES-Nonexempt and Exempt customers, MP allocated a portion of its requested revenue requirement to SES-Exempt customers. [7] The allocation among SES-Nonexempt and Exempt customers is discussed in greater detail later in the instant comments. The following table outlines MP's proposed Solar Factor rates:

**Table 2: Minnesota Power's Proposed Solar Renewable Factor Rates by Customer Class[8]**

| *Customer Class* | **SES-Nonexempt Customers** | **SES-Exempt Customers** |
|---|---|---|
| | *Proposed Rate (cents/kWh)* | *Proposed Rate (cents/kWh)* |
| Residential | 0.301 | N/A |
| General Service | 0.278 | N/A |
| Large Light & Power | 0.323 | 0.014 |
| Large Power | N/A | 0.014 |
| Lighting | 0.349 | N/A |

Table 2 shows that if the Commission approves MP's proposed Solar Renewable Factor rates, SES-Nonexempt customer classes would experience a rate increase ranging from 0.301 to 0.349 cents per kWh, and SES-Exempt classes would experience a rate increase of 0.014 cents per kWh. According to the information in MP's most recently approved rate case, the proposed Solar Renewable Factor would increase the average residential customers' bill by about $2.20 per month or 2.83 percent. Table 3 below shows the bill impacts on all customer classes.[9]

[6] Petition, Exhibit A-1. Minn. Stat., 216B.1691, subd. 2f(f) provides that certain iron mining and paper/wood manufacturing customers cannot be charged for costs incurred by utilities to satisfy the requirements of the SES.
[7] On page 4 of its Petition, Minnesota Power stated that "The premise of the allocation methodology is that SES-Exempt customers share in these benefits, although they do not help pay for solar power; therefore, the solar capacity benefit charge is applied to exempt customers."
[8] Data in Table 2 retrieved from Petition Exhibit B-1.
[9] Source: MP's June 28, 2018 Final Compliance Schedule 10, page 2.

**Table 3: Minnesota Power's Proposed Solar Renewable Factor Bill Impacts by Customer Class**[10]

| *Customer Class* | **SES-Nonexempt Customers** | | **SES-Exempt Customers** | |
|---|---|---|---|---|
| | *Bill Impact* | *Percentage Increase* | *Bill Impact* | *Percentage Increase* |
| Residential | \$2.20 | 2.83% | N/A | N/A |
| General Service | \$7.41 | 2.65% | N/A | N/A |
| Large Light & Power | \$896.17 | 4.13% | \$38.84 | 0.18% |
| Large Power | N/A | N/A | \$7,226.49 | 0.22% |
| Lighting | \$1.27 | 2.21% | N/A | N/A |

## III. DEPARTMENT ANALYSIS

The Minnesota Department of Commerce, Division of Energy Resources (Department) reviewed Minnesota Power's Petition to (1) determine whether the Petition complies with applicable statutes and Commission orders and (2) evaluate the reasonableness of the Company's proposals.

### *A. STATUTORY REQUIREMENTS*

Minn. Stat. §216B.1645, Subd. 2a provides the Commission with the authority to approve "a rate schedule that provides for the automatic adjustment of charges to recover prudently incurred investments, expenses, or costs" associated with renewable energy projects or facilities that meet the Renewable Energy Standard (RES) established in Minn. Stat. §216B.1691. As a component of the RES, Minn. Stat. §216B.1691, Subd. 2f established the Solar Energy Standard, requiring utilities to generate or purchase enough solar-generated electricity to provide, at a minimum, 1.5 percent of Minnesota retail electric sales with solar energy by the end of 2020.

Minn. Stat. §216B.1645, subd. 2a governs the cost recovery of qualifying utility renewable projects and states in part:

[10] Data in Table 3 based on source referenced by MP: Docket No. E015/GR-16-664 MP's June 28, 2018 Compliance Schedule 10 Page 2 of 47.

(a) The commission may approve, or approve as modified, a rate schedule that:
  (1) allows a utility to recover directly from customers on a timely basis the costs of qualifying renewable energy projects, including:
  (i) return on investment;
  (ii) depreciation;
  (iii) ongoing operation and maintenance costs;
  (iv) taxes; and
  (v) costs of transmission and other ancillary expenses directly allocable to transmitting electricity generated from a project meeting the specifications of this paragraph;

The Department reviewed MP's filing for compliance with Minn. Stat. 216B.1645, Subd. 2a and Minn. Stat. 216B.1691, Subd. 2f(f), which governs the treatment of SES-Exempt customers. The Department offers the following discussion.

*B. PROJECT ELIGIBILITY, PROPOSED COST RECOVERY, AND COST CAPS*

The Company requests cost recovery of the Camp Ripley Solar Project, Community Solar Garden Pilot, and SolarSense Program through its proposed Solar Renewable Factor rates. According to the Company, each of these three solar projects/programs currently contributes to MP's compliance with the SES requirements established under Minn. Stat. §216B.1691, subd. 2f.[11] The following sections discuss prior Commission decisions regarding the Camp Ripley Solar Project, Community Solar Garden Pilot, and SolarSense Program eligibility for rider cost recovery as well as MP's current cost recovery proposals and any applicable cost caps or restrictions.

*1. Camp Ripley Solar Project*

In its Petition, MP described Camp Ripley as a 10 MW solar facility that began operating in November 2016; the Company anticipates that Camp Ripley will provide about one third of the solar energy needed for the Company to meet the SES. This solar facility is located on the Camp Ripley Minnesota National Guard base near Little Falls, MN.[12]

In its February 24, 2016 *Order* in Docket No. E015/M-15-773, the Commission found that MP's Camp Ripley project would further the Company's compliance with the renewable energy standards outlined in Minn. Stat. § 216B.1691 and approved the MP's Camp Ripley expenses and investments under Minn.

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[11] Petition, pages 4 – 6.
[12] Petition, page 11.

Stat. §216B.1645, with a project cost cap of $30 million. In conjunction with its approval of the Camp Ripley project, the Commission ordered that the Company establish a Solar Renewable Factor as a part of MP's existing RRR, through which MP could seek cost recovery of the Camp Ripley project. Additionally, the Commission stipulated that MP in its relevant rate rider filings must demonstrate "the prudence of the actual costs of the [Camp Ripley] project" and "…that all aspects of project costs are least-cost and that the Company has applied all possible cost saving methods to reduce the overall cost of the project."[13] In a subsequent December 12, 2016 *Order* in Docket No. E015/M-15-773, the Commission required that MP set the annual recoverable Camp Ripley land lease payments based on a total present value amount of $197,619, to be allocated over the 35-year land lease term.

To establish the Camp Ripley solar facility, MP executed four Company-owned distribution system capital upgrades to accommodate the necessary interconnections[14] and entered into two lease agreements – one for the land on which the facility is located and one to finance the solar equipment at Camp Ripley. MP agreed to a 35-year land lease with the Minnesota National Guard and a 10-year solar equipment lease with CoBank; the Company has the option to purchase the leased solar equipment from CoBank at the end of the 10-year lease period for a specified price. The following is a summary of the expenses and capital costs MP has committed to in establishing the Camp Ripley solar facility:

**Table 4: Expenses and Capital Costs to Establish the Camp Ripley Solar Facility**

| *Expense/Cost Description* | *Total Amount* |
|---|---|
| Solar Equipment Lease | $21,469,819[15] |
| Distribution System Capital Upgrades | $1,271,332[16] |
| Lease-end Solar Equipment Purchase Option | $4,293,964[17] |
| *Total Capital Costs* | $27,035,115 |
| Land Lease | $317,585[18] |
| *Total Expense* | $317,585 |

[13] Commission February 24, 2016 *Order*, page 7, Docket No. E015/M-15-773.
[14] Petition, page 12 provides a brief description of each of the four capital distribution upgrades associated with MP's Camp Ripley project.
[15] Minnesota Power provided this figure in a meeting with the Department on July 31, 2020.
[16] Petition Exhibit C-11, page 4.
[17] Petition Exhibit D-1.
[18] Petition Table 3, sum of "Recoverable Annual Payment" column.

According to MP, in the interest of managing Camp Ripley expenditures, it "utilized its standard purchasing procedures to obtain competitive quotations for most major purchases and awarded contracts to the lowest bidder(s), unless a better overall value could be obtained."[19] In response to Department information request (IR) 3 (Attachment 1), the Company explained that it awarded $230,590 in single-source contracts for the Camp Ripley project; MP justified its decision to award these single-source contracts, rather than obtaining competitive quotes, by providing for each single-source contract a summary describing why the contract was advantageous and valuable to MP's Camp Ripley project.[20] Compared to the approximately $27 million in Camp Ripley capital costs, the Department considers the $230,590 in single-source contracts for the facility to be a relatively small amount. Therefore, the Department concludes that the Company's Camp Ripley expenditures are acceptable.

The capital costs and land lease expense detailed in the preceding Table 4 are included, as allocable to the 2016 – 2020 period, in the corresponding Camp Ripley revenue requirement that MP is requesting in the instant Petition. Since revenue requirements incorporate items like interest expense, taxes, depreciation, ongoing Operating & Maintenance (O&M) expense, and a return on investment, it follows that customers will pay cumulatively more for the Camp Ripley project than the amounts presented in Table 4 of the instant comments. The following table summarizes 2016 – 2020 Camp Ripley revenue requirements requested for recovery in the current Petition:

**Table 5: Camp Ripley Revenue Requirement Summary for 2016 - 2020[21]**

| *Camp Ripley Revenue Requirement Item* | **Actual** | | | | **Projected** | *Total Revenue Requirement* |
|---|---|---|---|---|---|---|
| | *2016* | *2017* | *2018* | *2019* | *2020* | |
| Solar Leases | $311,816 | $1,652,270 | $1,600,192 | $1,602,012 | $1,512,051 | $6,678,341 |
| Distribution Upgrade 107804 | $31,870 | $85,312 | $79,046 | $76,261 | $74,132 | $346,620 |
| Distribution Upgrade 107805 | $5,217 | $12,732 | $11,494 | $11,079 | $10,894 | $51,416 |
| Distribution Upgrade 107806 | $2,199 | $6,477 | $5,866 | $5,647 | $5,553 | $25,741 |
| Distribution Upgrade 108533 | $7,022 | $11,635 | $10,339 | $9,846 | $9,384 | $48,226 |
| *Total Revenue Requirement* | $358,125 | $1,768,424 | $1,706,936 | $1,704,845 | $1,612,013 | **$7,150,343** |

Table 5 shows that MP is requesting a revenue requirement of $7,150,343 for the 2016 – 2020 period for the Camp Ripley solar facility.

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19 Petition, page 19.
20 Department Attachment 1.
21 Data in Table 5 retrieved from Petition Exhibit C-2. Please note that Table 5 totals match those presented in Petition Exhibit C-2 and that some of those totals do not foot, due to very minor rounding errors.

MP's total capital costs for the Camp Ripley solar project are below the $30 million cost cap established by the Commission in Docket No. E015/M-15-773. Pursuant to the Commission's December 12, 2016 *Order* in Docket No. E015/M-15-773, the Company based its 2016 – 2050 annual land lease payment recovery on a $197,619 total lease payment present value.[22] Therefore, the Department concludes that MP's Camp Ripley expenses and capital costs are consistent with prior Commission orders. Further, given the Commission's determination on May 14, 2020 in Docket No. E015/M-19-440[23] that it is acceptable for Minnesota Power to charge its customers for costs from prior test periods, the Department concludes that the proposed $7,150,343 revenue requirement complies with the Commission orders.

However, the Department recommends a modification to the time period over which these costs should be recovered, given the Company's highly unusual proposal to charge ratepayers for five years of prior costs all in one year. If the amount of costs were not so significant, perhaps this break with normal ratemaking would be acceptable. However, concerns about rate shock for Minnesota Power's customers due to the Company's proposals to recover in 2020 the entire cost increases from riders, especially under the current economically challenging circumstances, warrant consideration of a different approach. Table 6 below compares Minnesota Power's proposed revenue requirement additions in riders in 2020 to the $12,616,113 revenue requirement increase that the Commission authorized in the Company's most recent rate case in 2016:

**Table 6: Revenue Requirement Comparisons[24]**

| *Docket No.* | *Description* | *Proposed 5-Year Revenue Requirements* | *Percent of Most Recent Rate Case Revenue Requirement Increase* |
|---|---|---|---|
| E015/M-20-557 | Camp Ripley Solar Project | $7,150,343 | 57% |
| E015/M-20-557 | Total Solar Rider | $10,151,236 | 80% |
| E015/M-19-440 | Transmission Cost Recovery | $31,419,235 | 249% |
| | *Total Rider Revenue Requirements* | $41,570,471[25] | 330%[26] |

[22] As shown in Petition Table 3, $197,619 is the present value of the total recoverable $317,585 in Camp Ripley land lease payments.
[23] The Commission's Order in that proceeding has not yet been issued.

[24] Does not include revenue requirements from Docket No. E015/M-19-523, which has not yet been decided.
[25] ($10,151,236 + $31,419,235) = $41,570,471.
[26] (80% + 249%) = 330% (rounded).

As shown in Table 6, Minnesota Power's proposal in this proceeding, solely for the Camp Ripley project, is more than half of the increase that the Commission authorized in the Company's 2016 rate case. The total request in this docket is 80 percent of the authorized increase in the 2016 rate case. Taken with the amount already authorized in Docket No. E015/M-19-440, Minnesota Power's ratepayers would have to pay in riders over 300 percent of the authorized amount in Minnesota Power's 2016 rate case if the Commission approves the Company's proposed cost recovery. Such a material rate increase in light of the current financial burdens faced by the Company's customers merits further consideration.

Rather than recovering all five years of costs for Camp Ripley in one year, the Department recommends that the Commission require Minnesota Power to recover the costs proposed in the instant case over five years, similar to the types of amortizations that the Commission routinely approves in general rate cases for various costs. This recommendation reduces the 2020 revenue requirement for Camp Ripley to $1,430,069, which is 11 percent of the authorized increase in revenue requirements in the 2016 rate case.[27]

In addition, consistent with the Commission's approach with other riders, to fully compensate the Company for the time value of money, the Department also recommends that the Commission allow MP to apply a carrying charge to the tracker on a going-forward basis. Ordinarily, the Commission requires utilities to use the cost of the Company's short-term debt; however, Minnesota Power carries no short-term debt. So, consistent with the Commission's determination in Minnesota Power's most recently approved conservation improvement tracker, the Department recommends that the Commission authorize the Company to apply a monthly carrying charge rate of 0.2917 percent.[28]

### 2. *Community Solar Garden Pilot*

MP's Community Solar Garden Pilot Program includes a Company-owned 40 kW solar array in Duluth, MN and a 1 MW power purchase agreement (PPA).[29] The Company's CSG created 1,040 one-kW blocks to which customers may subscribe.[30] According to MP, the CSG 40-kW solar array and 1 MW solar PPA will provide about one third of the solar energy Minnesota Power expects to need to meet the Small Scale Carve-Out.[31] As with the Camp Ripley project, MP, explained that it "obtained

[27] Including all other costs that MP requests in this docket, the total would be $4,430,962, or 35 percent of the authorized increase from MP's 2016 rate case.
[28] Commission's August 18, 2020 *Order* in Docket No. E015/M-20-428.
[29] Petition, page 5.
[30] Petition, page 15.
[31] Minn. Stat. § 216B.1691, Subd. 2f(a) provides for a Small Scale Carve-Out feature to the SES, stating that ""[a]t least ten percent of the 1.5 percent [SES] goal must be met by solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 20 kilowatts or less." The statute was amended in 2017 to permit individual customer CSG subscriptions of less than 40 kW to count towards small solar carve-out compliance. (Minn. Stat. §216B.1691 Subd. 2f(c)(2).

competitive quotations for most major purchases and awarded contracts to the lowest bidder(s), unless a better overall value could be obtained"[32] for the Company's CSG investments.

In its July 27, 2016 *Order* in Docket No. E015/M-15-825, the Commission approved the Company's CSG Pilot Program with certain modifications and permitted MP to recover the future costs of the 40-kW solar array under its Solar Renewable Factor. In the same *Order*, the Commission allowed that MP could recover the portion of 1 MW PPA unsubscribed costs through the Solar Energy Adjustment rider, which is part of the Company's Fuel and Purchased Energy Rider. MP explained that its CSG:

> …total revenue requirements are broken into either Subscribed Costs that are recovered though subscriptions in the program, or Unsubscribed costs. The Unsubscribed costs are recovered in one of two ways. The energy costs related to the PPA are recovered through SEA [Solar Energy Adjustment] Factor. The revenue requirements related to the solar array owned by Minnesota Power will be recovered through the RRR Solar Factor.[33]

The following table summarizes the revenue requirements for MP's CSG from 2016 - 2020:

**Table 7: Community Solar Garden Pilot Program Revenue Requirement Summary for 2016 - 2020[34]**

| *Community Solar Garden Revenue Requirement Item* | **Actual** | | | | **Projected** | |
|---|---|---|---|---|---|---|
| | *2016* | *2017* | *2018* | *2019* | *2020* | *Totals* |
| Revenue Requirement | $304 | $14,472 | $210,012 | $192,792 | $173,477 | $591,057 |
| Subscribed Costs | $0 | $0 | $179,095 | $192,792 | $173,477 | $(545,365) |
| Unsubscribed Costs | $304 | $14,472 | $30,917 | $0 | $0 | $45,693 |
| Costs to go through the Solar Energy Adjustment Rider | $0 | $428 | $27,725 | $0 | $0 | $(28,153) |
| Costs to go through the Solar Renewable Factor | $304 | $14,044 | $3,191 | $0 | $0 | $17,540 |
| Solar Renewable Energy Credit True-up[35] | | | | | | $(555) |
| *Total Revenue Requirement Requested* | | | | | | **$16,984** |

[32] Petition, page 19.
[33] Petition, page 29.
[34] Data in Table 7 retrieved from Petition Exhibit F-1. Please note that Table 7 totals match those presented in Petition Exhibit F-1 and that some of those totals do not foot, due to very minor rounding errors.
[35] CSG revenue requirements are reduced by the $2.00 per MWh Solar Renewable Energy Credit (SREC) discount approved in the Commission's April 21, 2017 *Order* in Docket No. E015/M-15-825; Petition Exhibits I-1 and J-3 show the SREC discount assumption and calculation. However, when MP recovered the unsubscribed costs of the 1 MW PPA were through the Solar Energy Adjustment rider, the recovery did not account for the SREC discount. Petition Table 5 shows that this has been resolved with an SREC true-up of $555 has been calculated and netted against the unsubscribed costs to be recovered through the 2020 Solar Factor.

Table 7 shows that customer subscriptions have largely offset the Company's CSG Pilot Program revenue requirements. This offset, combined with the required allocation of certain CSG costs to MP's Solar Energy Adjustment Rider, results in MP passing to customers a relatively small fraction ($16,984) of the CSG costs through the Solar Renewable Factor. Based on our review of the revenue requirement calculations in Petition Exhibits F-1, G-1, H-1, and J-1 through J-3, the Department concludes that MP's requested CSG revenue requirement is reasonable. Further, given the small size of the revenue requirement, the Department concludes that it is reasonable to allow MP to recover these costs in one year.

### 3. *SolarSense Program*

MP initiated its SolarSense Program in 2004 with the objective of encouraging voluntary solar installations on individual customer premises.[36] In Docket No. E015/M-16-485, the Company requested approval to expand the SolarSense Program budget to include increased customer rebates, create a low-income pilot program, and invest in solar research/development as well as further MP's compliance with the Small Scale Carve-Out of the SES.[37]

In its February 10, 2017 *Order* in Docket No. E015/M-16-485, the Commission approved MP's request to move SolarSense Program expense recovery out of the Conservation Improvement Program (CIP) and into the Solar Renewable Factor for SolarSense expenses incurred from 2017 - 2019. As a part of this *Order*, the Commission specifically authorized MP to recover the SolarSense expenses associated with customer rebates, the low-income pilot program, solar research and development, and program development/delivery. The Commission subsequently extended the approved 2019 SolarSense Program budget through 2020 in its December 20, 2019 *Order* in the same docket. The following table summarizes the revenue requirements for MP's SolarSense Program from 2017 – 2020:

**Table 8: SolarSense Program Revenue Requirement Summary for 2017 – 2020**

| *SolarSense Program Revenue Requirement Item* | **Actual[38]** | | | **Projected** | *Total Revenue Requirement* |
|---|---|---|---|---|---|
| | *2017* | *2018* | *2019* | *2020* | |
| Low-Income Pilot | $36,400 | $0 | $0 | | $36,400 |
| Research/Development | $11,304 | $15,000 | $0 | | $26,304 |
| Customer Incentives | $275,492 | $481,464 | $1,031,588 | | $1,788,544 |
| Program Development/Delivery | $66,396 | $79,281 | $76,302 | | $221,979 |
| *Totals Revenue Requirement Requested* | $389,592 | $575,745 | $1,107,890 | $910,682[39] | **$ 2,983,909** |

[36] Petition, page 18.
[37] Petition, pages 5 – 6.
[38] Actual 2017 – 2019 revenue requirement data in Table 8 retrieved from Petition Table 4.
[39] The Commission approved the 2020 SolarSense Program budget in the December 20, 2019 *Order* in Docket No. E015/M-16-485. The budgeted figures are shown on page 2 of the September 19, 2019 Minnesota Power filing attached to the same

Table 8 shows that (1) MP's SolarSense Program revenue requirement request in the instant Petition includes only those expense categories previously approved for recovery by the Commission and (2) the projected 2020 SolarSense Program expenses are less than the budget authorized by the Commission for this year. No capital costs are included in the SolarSense Program revenue requirements. The Department concludes that MP's requested revenue requirement for the SolarSense Program is reasonable. However, for informational purposes, the Department requests that, MP provide in its Reply Comments a breakdown of the 2020 SolarSense Program requested revenue requirement, using the same categorical format shown in Table 8 above.

While the Commission could also consider spreading cost recovery for the SolarSense program over several years to reflect the multi-year revenue requirements, the Department notes that the Commission has already made several determinations about recovery of these costs. Thus, the Department does not oppose allowing MP to recover the entire $2,983,909 in one year, but only if the Commission adopts the recommendation to spread cost recovery of Camp Ripley over five years as indicated previously in the instant comments.

*4. Department's Overall Conclusion and Recommendation on MP's Proposed Solar Revenue Requirements*

As discussed in the preceding sections, the Department concludes that the Company's solar revenue requirements proposed in the instant Petition are reasonable, as they comply with the Commission's prior Orders as discussed above. However, the Department recommends that the Commission require MP to recover the costs of the Camp Ripley project over five years, since (1) the requested amount represents five years of revenue requirements, (2) the total amount solely for the Camp Ripley project represents over half of the increase the Commission authorized in MP's most recent rate case, and (3) considering the current economic conditions faced by MP's ratepayers, rate increase mitigation is warranted. Consistent with the Commission's approval in the Company's most recent CIP rider, the Department also recommends that the Commission authorize MP to charge a monthly carrying charge of 0.2917 percent to the Camp Ripley project.

Therefore, the Department recommends that the Commission approve MP's requested 2016 - 2020 revenue requirements for the Camp Ripley solar facility, CSG, and SolarSense Program, as follows:

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*Order*, with a total approved 2020 budget amount of $997,545. However, at $910,682, MP's current SolarSense 2020 budget proposal at is less than that previously approved. The Department derived the 2020 SolarSense budget amount of $910,682 using the following calculation: $2,983,909 total SolarSense revenue requirement per Petition Exhibit B-2 **less** ($389,592 + $575,745 + $1,107,890) = $910,682.

**Table 9: Department Modifications to Minnesota Power's Requested Revenue Requirement Adjustments for 2016 – 2020**

| *Solar Project or Program* | *Revenue Requirement* |
|---|---|
| Camp Ripley Solar Project | $1,430,069 |
| Community Solar Garden Pilot | $ 16,984 |
| SolarSense Program | $2,983,909 |
| *Total Requested Revenue Requirement* | $4,430,962 |

The Department requests that MP update its proposed rates to reflect this recommendation.

## *C. TREATMENT OF CERTAIN REVENUE REQUIREMENT COMPONENTS*

The Department evaluated the reasonableness of the different components of MP's requested solar project/program revenue requirements. The following discussion highlights several of those revenue requirement components that have statutory significance or are noteworthy in their relationship to prior Commission decisions or utility practices.

### *1. Multiple Rates of Return*

Depending on the stage of the capital project, MP calculates an allowed return on its construction work in progress or on the relevant assets placed into service (rate base). The rate of return used is typically based on the rate most recently approved by the Commission in a utility's rate case. Because the Company's solar costs included in the instant Petition span the years 2016 – 2020, varying rate case approvals prevailed at different times within that period, making it necessary for MP to apply differing rates of return to the solar costs associated specific portions of the 2016 – 2020 timeframe. The following is a summary of the rates of return applied by the Company to its solar costs:

**Table 10: Pretax Rates of Return Applied to Solar Costs 2016 – 2020**[40]

| *Period* | *Pretax Rate of Return Applied* | *Rate Case Approval* |
|---|---|---|
| 2016 | 12.1500% | E015/GR-09-1151 |
| 2017 | 10.5761% | E015/GR-16-664 |
| 2018 - 2020 | 9.0716% | E015/GR-16-664 |

Table 10 shows pretax rates of return, which are each comprised of an after-tax return on equity, an income tax component, and an interest expense component. Due to the impact of the federal 2017 Tax Cuts & Jobs Act, MP's pretax rate of return changed between 2017 and 2018, even though the

[40] Data in Table 10 retrieved from Petition Exhibit D-2.

same rate case (E015/GR-16-664) and the same weighted cost of capital (7.0639%) is applicable to 2017 – 2020. The Department concludes that the Company's use of the different pretax rates of return for different years within the 2016 – 2020 period is reasonable.

2. *Treatment of Allowance for Funds Used During Construction (AFUDC), Construction Work in Process (CWIP), and Internal Capitalized Costs*

Generally, MP accrues an allowance for funds used during construction (AFUDC) on project investments until the Commission approves cost recovery in a cost eligibility filing. Once the Commission approves cost recovery for a project, MP ceases to accrue AFUDC and begins to earn a current return on construction work in progress (CWIP), which Minn. Stat. §216B.1645, Subd. 2a(a)(2) permits, provided that the utility does not seek recovery of the project costs through any other mechanism. Accordingly, MP has excluded its solar costs from the Company's base rates and in the instant docket has calculated a return on the average monthly CWIP balance for capital distribution upgrades associated with Camp Ripley and the capital portions of MP's CSG.[41] In the instant Petition, the Company applied the pretax rate return approved in Docket No. E015/GR-09-1151 (12.15%) to its monthly CWIP balances. This rate of return is consistent with the approved rate prevailing during 2016, the year in which MP incurred the relevant CWIP costs.

The Commission's December 13, 2013 *Order* on MP's 2013 RRR Filing required MP to exclude internal capitalized costs from its calculation of AFUDC and return on CWIP, consistent with the terms of its prior rider filings. As described on Petition pages 31 – 32 of the Petition and shown in Exhibits C-11 and J-1 of the Petition, the Company appropriately excluded internal capitalized costs and related AFUDC costs from its revenue requirements calculations.

The Department concludes that MP's proposed treatment of AFUDC, return on CWIP, and internal capitalized costs is consistent with the relevant statute and relevant prior rider filings, and that the Company used an appropriate, Commission-approved rate of return in its calculated return on CWIP.

3. *Treatment of Deferred Income Taxes*

In reference to the deferred income taxes associated with its solar projects, the Company determined that "…no pro rata calculation is required for this current cost recovery filing."[42] The Department agrees with MP that this treatment is consistent with the Internal Revenue Code and notes that by not prorating the deferred taxes now, the Company would eliminate the need to eventually reverse or "unwind" that proration at a later time. The Department believes MP's treatment of the deferred taxes associated with its solar projects in the instant Petition is reasonable.

The Company also noted the following in its petition regarding Accumulated Deferred Income Taxes (ADIT):

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[41] Petition Exhibits C-11 and J-1.
[42] Petition, page 38.

> In Commission Docket No. G-999/CI-17-895, *In the Matter of a Commission Investigation into the Effects on Electric and Natural Gas Utility Rates and Services of the 2017 Federal Tax Act,* the Commission ordered[43] Minnesota Power to return its Tax Cuts and Jobs Act benefits of the excess accumulated deferred income taxes ("ADIT") impacts that existed at December 31, 2017 in a separate rider, as final rates in the most recent rate case were already implemented. Minnesota Power has implemented the rider and is returning all of the excess ADIT benefits through that rider. As all solar projects were excluded from the Company's 2017 rate case, there are additional excess ADIT associated with the solar projects in this filing. The Company has therefore adjusted the deferred income taxes to account for the excess ADIT impacts in this rider.[44]

The Department believes that MP's treatment of the excess ADIT resulting from the 2017 Tax Cuts & Jobs Act and associated with the Company's solar projects is consistent with the objective of the prior Commission *Order* in Docket No. G-999/CI-17-895 and is therefore reasonable.

### 4. *Treatment of Investment Tax Credits*

As eligible renewable projects, the Company's Community Solar Garden and the four distribution capital upgrades associated with Camp Ripley qualified for $142,804 in federal investment tax credits (ITCs). ITCs represent a credit that the Company will eventually pass back to ratepayers. Due to tax normalization rules, ITCs cannot be credited to ratepayers until they are used on the Company's tax return. In its Petition, MP indicated that once it is able to apply the ITCs from the Company's solar projects to the its tax liabilities, it will "begin amortizing the benefit of these federal ITCs to revenue requirements in a future factor filing."[45] The Department concludes that MP's proposed treatment of the ITCs relevant to the instant docket is consistent with tax normalization rules and is therefore reasonable.

## D. *PROPOSED RATE DESIGN AND RATES*

### 1. *SES-Exempt Customers*

Minn. Stat. §216B.1691, Subd. 2(f)(f) excludes certain customers in the paper and taconite industries from paying for utility costs associated with SES compliance. In its March 12, 2018 *Order*[46], the Commission approved a methodology for allocating a portion of the solar capacity benefits of MP's solar installations to the SES-Exempt customers. This methodology is intended to quantify the benefit

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[43] Order dated May 10, 2019.
[44] Petition, pages 38 – 39.
[45] Petition, page 36.
[46] Docket No. E015/GR-16-664.

of solar capacity received by the SES-Exempt customers, assess SES-Exempt customers for that benefit, and credit SES-Nonexempt customers with the amount paid by SES-Exempt customers.

MP calculated the solar capacity benefit to its SES-Exempt customers using demand during the Midcontinent Independent System Operator's (MISO's) annual peak and subsequently offset the revenue requirement recovered from SES-Nonexempt customers by the same amount. The Company used energy allocation factors from its prevailing rate case, Docket No. E015/GR-16-664, to allocate revenue between the classes and calculated energy rates using forecasted 2020 billing units.
MP calculated the solar capacity charge for SES-Exempt customers as an energy charge (per kWh) rate. Table 11 summarizes the energy allocation factors and rates for the SES-Exempt customers.

**Table 11: SES-Exempt Customer Class Rates[47]**

| *SES-Exempt Customer Class* | *Energy (MWh)* | *Energy Allocation Factors Percentage of Total* | *Rates Cents (¢)/kWh[48]* |
|---|---|---|---|
| Large Light & Power | 16,295 | 0.3% | 0.014 |
| Large Power | 5,576,054 | 99.7% | 0.014 |
| *Total Solar-Exempt* | 5,592,349 | 100.0% | |

MP's calculation of the solar capacity benefit is consistent with the methodology approved by the Commission in Docket E015/GR-16-664. However, the Department questions the appropriateness of assessing SES-Exempt customers for the solar capacity benefit on an energy charge basis. The customers to whom this charge would apply are large industrial customers who routinely pay capacity costs on a per kW basis. The Department requests that MP provide in Reply Comments its reasoning for assessing the solar capacity benefit on a per kWh basis and an explanation as to why a per kW charge would be inappropriate.

*2. SES-Nonexempt Customers*

MP proposes to calculate its Solar Renewable Factor for SES-Nonexempt customers as an energy charge ($/kWh). The Company apportioned its revenue requirement among the SES-Nonexempt customer classes using energy allocation factors from its rate case in Docket No. E015/GR-16-664. Table 12 summarizes SES-Nonexempt customer rates and revenue requirements.

[47] Data in Table 11 retrieved from Petition Exhibit D-4, unless otherwise noted.
[48] Petition Exhibit B-1.

**Table 12: Summary of SES-Nonexempt Revenue Requirements and Proposed Rates**[49]

| *Customer Class* | *2020 Energy Units (MWh)* | *Revenue Requirement* | *Proposed Rates Cents (¢)/kWh* |
|---|---|---|---|
| Residential | 1,046,739 | $3,145,460 | 0.301 |
| General Service | 701,891 | $1,951,887 | 0.278 |
| Large Light & Power | 1,306,023 | $4,214,720 | 0.323 |
| Lighting | 20,366 | $71,059 | 0.348 |
| *Total SES-Nonexempt Energy* | 3,075,019 | $9,383,126 | |

The Department concludes that the rate design that MP used to develop the Solar Renewable Factor rates is reasonable and requests that the Company update the rates to reflect recovery of the 2016 - 2020 Camp Ripley revenue requirements over five years, as noted above.

3. *Department's Overall Rate Design Conclusion and Recommendation on MP's Rate Design and Solar Renewable Factor Rates*

As discussed in the preceding sections, the Department concludes that, with the exception of the solar capacity benefit assessment, the rate design used by the Company to develop its Solar Renewable Factor rates is reasonable. Therefore, pending MP's provision of the additional information on its solar capacity benefit assessment, the Department recommends that the Commission approve MP's requested Solar Renewable Factor rates, once the Company updates the rates to recover the requested Camp Ripley revenue requirements over five years.

*E. PROPOSED EFFECTIVE DATE FOR SOLAR RENEWABLE FACTOR RATES*

Minnesota Power requests that its proposed Solar Renewable Factor rates be effective on January 1, 2021. The Department concludes that timing of rate factor implementation is reasonable and recommends that Commission authorize an effective date of January 1, 2021 for MP's Solar Renewable Factor rates.

*F. RENEWABLE RESOURCE RIDER TRACKER ACCOUNT*

The Company's existing RRR has an established tracker account that tracks MP's actual RRR revenue requirements and the corresponding receipts from customers; this tracker account provides for a true up between the RRR's forecasted and actual revenue requirements as well as the RRR's actual revenue requirements and amounts collected from customers. Typically, MP trues up its RRR tracker account

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[49] Data in Table 12 retrieved from Petition Exhibit B-1.

annually.[50] In the instant Petition, MP stated that "In support of the Solar Renewable Factor filings, Minnesota Power has implemented a tracker mechanism to account for the balance of actual revenue requirements and cash collected from customers."[51] The Department supports MP's commitment to track and true up the Solar Renewable Factor revenue requirements and collections from customers separately from, but in a manner that is consistent with, the other components of the Company's RRR. To ensure timely true-ups for the Solar Renewable Factor, the Department recommends that the Commission require MP to file a Solar Renewable Factor true-up annually, following of the initial implementation of the Solar Renewable Factor rates.

### *G. LANGUAGE FOR NOTICE TO CUSTOMERS*

In its Petition, the Company did not propose to include a notification on customer bills to alert them to the new Solar Renewable Factor charge. To inform customers about the new application of MP's Solar Renewable Factor to their bills, the Department recommends that Minnesota Power propose in its Reply Comments the language for a customer bill notification, the purpose of which would be to advise ratepayers of the additional charge associated with MP's Solar Renewable Factor.

### *H. OVERLAP WITH POTENTIAL FUTURE RATE CASE*

In conversations with Minnesota Power, the Department learned that MP does not anticipate rolling its solar projects into proposed base rates in a future rate case. Instead, since certain large industrial customers are exempt from the SES, the Company plans to keep its solar costs in the RRR. Therefore, the Department concludes that determining how to coordinate the Solar Renewable Factor recovery with MP's next future rate case is unnecessary at this time, but should be considered in the subsequent rate case, including the question as to whether the costs should be recovered in a rider or base rates.

### *I. COMPLIANCE FILING*

To ensure that the Solar Renewable Factor is incorporated into Minnesota Power's tariffs at the approved rates, the Department recommends that the Commission require the Company to submit, within 10 days of instant docket's order, a compliance filing of the Solar Renewable Factor tariff sheets, showing the Solar Factor rates approved by the Commission.

## III. CONCLUSION AND RECOMMENDATIONS

Based on our review, the Department concludes that Minnesota Power's Petition complies with the applicable Minnesota Statutes, and that the Company's proposals overall are reasonable, as modified to recover requested revenue requirements of the Camp Ripley project over five years; Table 9 of the

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[50] Docket Nos. E015/M-10-273, E015/M-11-274, E015/M-13-410, E015/M-14-349, E015/M-14-962, E015/M-16-776, E015/M-18-375, and E015/M-19-523.
[51] Petition, page 38.

instant Comments is provided here for ease of reference to the Department's recommended modifications to MP's requested solar revenue requirements:

**Table 9: Department Modifications to Minnesota Power's Requested Revenue Requirement Adjustments for 2016 - 2020**

| *Solar Project or Program* | *Revenue Requirement* |
|---|---|
| Camp Ripley Solar Project | $1,430,069 |
| Community Solar Garden Pilot | $ 16,984 |
| SolarSense Program | $2,983,909 |
| *Total Requested Revenue Requirement* | $4,430,962 |

For informational purposes, the Department requests that MP do the following information in its Reply Comments:

- Using the same categorical format shown the Department's Table 8, provide a break down the 2020 SolarSense Program requested revenue requirement.
- Provide updated Solar Renewable Factor rates to reflect recovery of Camp Ripley over five years.
- Explain (1) its reasoning for using an energy charge, rather than a capacity charge, for assessing Solar-Exempt customers for the solar capacity benefit and (2) why a per kW charge would be inappropriate.
- Propose language for a customer bill notification, the purpose of which would be to advise ratepayers of the additional charge associated with MP's Solar Renewable Factor.

Pending MP's provision of the additional information requested by the Department, we recommend that the Commission take the following actions:

- Approve MP's requested 2016 - 2020 revenue requirements for the Camp Ripley solar facility, CSG, and SolarSense Program, but require MP to recover the requested Camp Ripley revenue requirements over five years, with a carrying charge equal to 0.2917 percent.
- Approve MP's requested Solar Renewable Factor rates, adjusted to recover the requested Camp Ripley revenue requirements over five years.
- Authorize an effective date of January 1, 2021 for MP's Solar Renewable Factor rates.

- Require MP to file a Solar Renewable Factor true-up annually, following of the initial implementation of the authorized Solar Renewable Factor rates.

- Require the Company to submit, within 10 days of instant docket's order, a compliance filing of the Solar Renewable Factor tariff sheets, showing the Solar Factor rates approved by the Commission.

/ja

**Minnesota Department of Commerce**
**85 7th Place East | Suite 280 | St. Paul, MN 55101**
**Information Request**

**Docket Number:** E015/M-20-557 ☐Nonpublic ☒Public
**Requested From:** Minnesota Power Date of Request: August 5, 2020
**Type of Inquiry:** Financial Response Due: August 17, 2020

**SEND RESPONSE VIA EMAIL TO**: Utility.Discovery@state.mn.us as well as the assigned analyst(s).
**Assigned Analyst(s):** Gemma Miltich & Susan Peirce
**Email Address(es):** gemma.miltich@state.mn.us & susan.peirce@state.mn.us
**Phone Number(s):** 651-539-1819 & 651-539-1832

**ADDITIONAL INSTRUCTIONS**:
Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

| | |
|---|---|
| **Request Number:** | **03** |
| Topic: | Camp Ripley solar facility lowest cost measures. |
| Reference(s): | Minnesota Power's initial petition, page 19. |

**Request:**

In reference to the Camp Ripley solar facility costs, Minnesota Power stated that it "utilized its standard purchasing procedures to obtain competitive quotations for most major purchases and awarded contracts to the lowest bidder(s), unless a better overall value could be obtained. In some cases, contracts were awarded on a single source basis to qualified contractors based on utilizing existing partnering agreements or based upon original equipment manufacturer considerations."

a) Referencing the preceding quote, please identify any contracts (or other purchase agreements) that Minnesota Power awarded to vendors/suppliers that did not provide the lowest bid for Camp Ripley-related costs. For each identified contract/purchase agreement, please provide (1) a description of the specific services or goods supplied, (2) the associated dollar amount, and (3) the reason(s) why the contract/purchase agreement was a more prudent than the lowest-cost alternative (please be specific with (3) – for example, rather than saying "this contract provided better overall value," provide a specific reason – theoretically, a specific reason could be something like "the chosen contractor has 15 years more experience doing XYZ than the lowest-cost alternative contractor, which had less than one year of experience doing XYZ."

**Please note that the Department is aware that Minnesota Power conducted an RFP process for the Camp Ripley solar project and that the Company provided a description of the RFP evaluation process in its initial filing in docket 15-773.

To be completed by responder

Response Date: August 19, 2020
Response by: Amy DeCaigny, Supervisor - Purchasing
Email Address: adecaigny@allete.com
Phone Number: (218) 355-3733

**Minnesota Department of Commerce**
**85 7th Place East | Suite 280 | St. Paul, MN 55101**
**Information Request**

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**Email Address(es):** gemma.miltich@state.mn.us & susan.peirce@state.mn.us
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**Response:**

The following table contains information for Camp Ripley related contracts that are above Minnesota Power's competitive bidding limit of $10,000 and were awarded on a single source basis. Using a RFP (request for proposal) process would not have necessarily resulted in the required services being performed at a lower cost.

| Vendor | Work Description | Cost | PO No. | Justification |
|---|---|---|---|---|
| Burns & McDonnell | Preliminary Engineering of the Camp Ripley Solar Facility | $113,576 | 5311058192 | - The Camp Ripley solar project integrates with Smartgrid and military technology and Burns and McDonnell has been the lead engineering contractor for several other projects that integrate the same technology.<br>- Burns and McDonnell is a preferred engineering contractor for the military.<br>- Burns and McDonnell is Minnesota Power's partner on new and innovative projects and the Camp Ripley solar project is unique for Minnesota Power.<br>- There are no local firms that Minnesota Power believes have the skills and expertise to perform this work. |
| Lake Superior Consulting | On-Site Construction Management/Safety Professional | $76,697 | 5311097597 | - Minnesota Power utilized Lake Superior Consulting Services to hire a Safety Professional as a temporary employee providing on-site construction management and safety services. |

To be completed by responder

Response Date: August 19, 2020
Response by: Amy DeCaigny, Supervisor - Purchasing
Email Address: adecaigny@allete.com
Phone Number: (218) 355-3733

COMMERCE DEPARTMENT

**Minnesota Department of Commerce**
**85 7th Place East | Suite 280 | St. Paul, MN 55101**
**Information Request**

**Docket Number:** E015/M-20-557
**Requested From:** Minnesota Power
**Type of Inquiry:** Financial

☐Nonpublic ☒Public
Date of Request: August 5, 2020
Response Due: August 17, 2020

**SEND RESPONSE VIA EMAIL TO**: Utility.Discovery@state.mn.us as well as the assigned analyst(s).
**Assigned Analyst(s):** Gemma Miltich & Susan Peirce
**Email Address(es):** gemma.miltich@state.mn.us & susan.peirce@state.mn.us
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| | | | | |
|---|---|---|---|---|
| | | | | - This temporary employee had previous experience working as a Safety Professional on other Minnesota Power projects. |
| Sedway Consulting | Independent evaluation of bids and preparation of engineering RFP | $29,250 | 5311064287 | - Minnesota Power required the services of an independent third party evaluator to ensure credibility of the RFP process and Sedway Consulting had the experience required.<br>- Sedway Consulting has experience working with Minnesota Power on previous RFP processes and is familiar with various groups within Minnesota Power. |
| SEH | Boundary and topographical survey | $11,067 | 5311074578 | - SEH is familiar with the scope of work and has performed similar work at Camp Ripley in the past and has the expertise to perform survey work on the property.<br>- SEH has an office located in Brainerd that will minimize the travel required to site.<br>- Minnesota Power has a Contract Purchase Agreement in place with SEH helped expedite the work and decrease the time and cost of contract negotiations. |

To be completed by responder

Response Date: August 19, 2020
Response by: Amy DeCaigny, Supervisor - Purchasing
Email Address: adecaigny@allete.com
Phone Number: (218) 355-3733

# 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**
**Comments**

**Docket No. E015/M-20-557**

Dated this **31st** day of **August 2020**

**/s/Sharon Ferguson**

| First Name | Last Name | Email | Company Name | Address | Delivery Method | View Trade Secret | Service List Name |
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| Sharon | Ferguson | sharon.ferguson@state.mn.us | Department of Commerce | 85 7th Place E Ste 280<br><br>Saint Paul,<br>MN<br>551012198 | Electronic Service | No | OFF_SL_20-557_M-20-557 |
| Lori | Hoyum | lhoyum@mnpower.com | Minnesota Power | 30 West Superior Street<br><br>Duluth,<br>MN<br>55802 | Electronic Service | No | OFF_SL_20-557_M-20-557 |
| David | Moeller | dmoeller@allete.com | Minnesota Power | 30 W Superior St<br><br>Duluth,<br>MN<br>558022093 | Electronic Service | Yes | OFF_SL_20-557_M-20-557 |
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| Will | Seuffert | Will.Seuffert@state.mn.us | Public Utilities Commission | 121 7th Pl E Ste 350<br><br>Saint Paul,<br>MN<br>55101 | Electronic Service | Yes | OFF_SL_20-557_M-20-557 |