

The Commission met on **Thursday, June 2, 2016**, with Chair Heydinger, and Commissioners Lange, Lipschultz, Schuerger, and Tuma present.

The following matters were taken up by the Commission:

### **ENERGY FACILITIES AGENDA**

#### **IP-6949/GS-15-620**

#### **In the Matter of the Application of Mankato Energy Center II, LLC for a Site Permit for the 345 MW Expansion of the Mankato Energy Center**

Commissioner Tuma moved to take the following actions:

1. Approve and adopt the Findings of Fact for the Mankato Energy II Expansion Project;
2. Find that the environmental assessment and the record address the issues identified in the environmental assessment scoping decision;
3. Authorize the issuance to Mankato Energy Center of the proposed site permit with appropriate conditions;
4. Allow Commission staff to make modifications to the proposed Findings of Fact or the proposed Site Permit, as necessary, to ensure consistency and/or to allow for administrative corrections following the Commission meeting; and
5. Require Mankato Energy Center ii, LLC to meet, within 90 days of the issuance of the Site Permit, with Blue Earth County and the City of Mankato to discuss planned nighttime construction activities in this docket. Within 60 days of the Commission meeting, require Mankato Energy Center II to file a compliance filing with a summary of whether the county or city had any concerns with the nighttime construction activities, and if so, what construction considerations were agreed upon.

The motion passed 5-0.

#### **E-015/TL-14-21**

#### **In the Matter of the Application of Minnesota Power for a Route Permit for the 500 kV Great Northern Transmission Line Project in Roseau, Lake of the Woods, Beltrami, Koochiching, and Itasca Counties**

Commissioner Lange moved to deny reconsideration or rehearing of the April 1, 2016 Order Issuing Route Permit.

The motion passed 5-0.

Commissioner Lipschultz moved the following:

1. Direct Minnesota Power to confer with the landowners and other agencies;
2. Require Minnesota Power to confer with landowners and other agencies and conduct a full engineering design and environmental analysis to demonstrate the most appropriate location of an alignment within the Effie Variation, including but not limited to both the alignment recommended by the Administrative Law Judge and the alignment identified in the Route Permit, and provide the analysis as part of its Plan and Profile submission;
3. Once a final alignment is reached as specified in Paragraph 2 above, require Minnesota Power to comply with Ordering Paragraph 4 of the Commission's April 11, 2016 Order Approving Route Permit with Modifications, as set forth below: and
4. Require Minnesota Power to provide a detailed report on its consultations with the Minnesota Department of Natural Resources, what the positions of the participants were, what resolutions were reached, and how the resolutions were reached.

The motion passed 5–0.

## **ENERGY AGENDA**

### **E002/GR-13-868**

**In the Matter of the Application of Northern States Power Company for Authority to Increase Rates for Electric Service in the State of Minnesota**

### **E,G002/AI-15-536**

**In the Matter of the Petition of Northern States Power Company for Approval of its 2016 Annual Cost Allocation Modifications to its Service Agreement with Xcel Energy Services Inc.**

Commissioner Lipschultz moved to adopt the Department's recommendation to accept the compliance filing, and to require the refund to be completed within 90 days of the order.

The motion passed 5–0.

### **E002/M-15-1089**

**In the Matter of the Petition of Northern States Power Company for Approval of a Credit Mechanism to Return to Customers Department of Energy Settlement Payments**

Commissioner Lipschultz moved the following:

1. Approve Xcel's proposed refunds of \$9,742,480 reflecting the DOE Sixth Payment and an additional \$1,823,028 reflecting a true-up of the DOE Fourth and Fifth Payments.

2. Approve Xcel's proposal that the credit include the actual amount of interest earned by the Company, net of any bank fees.
3. Approve Xcel's proposed Class Allocation Methodology.
4. Require Xcel to provide the refunds within 90 days of the order.
5. Approve the Xcel/DOE Extended Settlement Agreement.
6. Require Xcel to make a compliance filing within 30 days after completing the bill credits.
7. Require Xcel to make a compliance filing that provides information and documentation consistent with Order Point 11 in the Commission's December 16, 2011 Order in Docket E-002/M-11-807 within 30 days of receiving a future DOE payment.

The motion passed 5–0.

#### **E015/M-15-825**

#### **In the Matter of a Petition by Minnesota Power for Approval of a Community Solar Garden Program, Eligibility of the Energy for Small Scale Solar Energy Standard Compliance and a Recovery Method for Program Cost Recovery**

Chair Heydinger moved to not allow MP to use customer-purchased subscriptions to the CSG Pilot program for Compliance toward meeting MP's Small Scale Carve-Out of Minnesota's SES.

The motion passed 5–0.

Chair Heydinger moved to allow MP to retain ownership of the S-RECS from both 40 kW and 1MW systems and to require MP to discount the subscription options by a current market pricing for S-RECs, as determined by a competitive bidding process for S-RECs in northern Minnesota.

The motion passed 4–1. Commissioner Tuma voted no.

Commissioner Lange moved the following:

1. Approve MP's proposed pricing options for solar garden participation, provided that they are adjusted consistent with the results of the S-REC bidding process;
2. Require the bill or monthly energy credit (kWh) to apply to the Company's volumetric riders; and
3. Require within 180 days of the date of the order that Minnesota Power file a Value of Solar calculation and propose how to implement it in this docket.

The motion passed 5–0.

Commissioner Lipschultz moved to approve recovery of the costs for investment and activity related to the proposed 40 kW solar array under the Company's Solar Renewable Factor ("Solar Factor") within the existing Renewable Resources Rider, and the portion of unsubscribed costs related to the 1MW power purchase agreement through the Solar Energy Adjustment within the Fuel and Purchased Energy Rider.

The motion passed 5–0.

Commissioner Lipschultz moved to require by October 1, 2016, and in consultation with interested stakeholders, that Minnesota Power draft an RFP for three non-utility community solar gardens, each up to 1 MW, and file the draft RFP with the Commission.

The motion passed 5–0.

Commissioner Lange moved to require that, for cancelled subscriptions, Minnesota Power shall pay subscribers for the remaining kWh credits at the monthly average amount for the previous twelve months, plus any payment for S-RECs associated with the unused kWh credits.

The motion passed 5–0.

Commissioner Lipschultz moved to require that in addition to the evaluation criteria set forth by MP, require MP to report annually the following data:

- For each of the payment options, provide the number of customers and average subscription size choosing that option;
- An accounting of the amount and cost of unsubscribed energy and its recovery through the SEA and SRF; and
- An accounting of kWh credits generated and rolling over from month to month.

The motion passed 5–0.

Commissioner Lipschultz moved to require that Minnesota Power in its annual evaluation:

- state the remaining life on the solar project;
- discuss the pricing for an additional PPA term; and
- state overall subscriber/customer interest in continuing the program after 25 years.

The motion passed 5–0.

Commissioner Tuma moved to require that Minnesota Power discuss with interested stakeholders whether and how pricing information on public-facing programs can be made public in the future.

The motion passed 5–0.

Chair Heydinger moved to:

- require that Minnesota Power file and obtain Commission approval of any scripts or written communications about the program; and
- delegate to the executive secretary authority to approve the scripts and written communications.

The motion passed 5–0.

Commissioner Lange moved to:

- require that Minnesota Power integrate efforts at implementing its community solar programs targeting low income households with existing low income energy programs, such as LIHEAP.
- require that Minnesota Power describe in its annual evaluation its efforts to integrate implementation of community solar programs targeting low income households with existing low income energy programs, and consider program design modifications that would make the program more accessible to low-income customers.

The motion passed 5–0.

Commissioner Tuma moved to require that Minnesota Power delete paragraph 8.7 from its proposed “Customer Contract for Minnesota Power Community Solar Garden Pilot Program.”

The motion passed 5–0.

Commissioner Tuma moved to require that Minnesota Power revise its “Customer Contract for Minnesota Power Community Solar Garden Pilot Program” by, in paragraph 1.1, the first line, deleting “MPUC approval” and insert in its place “the CSG Pilot Program tariff”.

The motion passed 5–0.

Commissioner Lipschultz moved to require that Minnesota Power revise its “Customer Contract for Minnesota Power Community Solar Garden Pilot Program” by revising the last paragraph of the “Recitals” section to include language describing how consumers can file a complaint with the Commission.

The motion passed 5–0.

Commissioner Lipschultz moved to approve Minnesota Power’s power purchase agreement with US Solar.

The motion passed 5–0.

Commissioner Lipschultz moved to approve Minnesota Power's community solar garden pilot program, as modified consistent with the Commission's decisions in this docket.


The motion passed 5-0.

Chair Heydinger moved that the Commission require that within 30 days of the date of the order, Minnesota Power shall file tariffs modified to be consistent with this order, including its subscriber contract.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: September 7, 2016**

A handwritten signature in black ink that reads "Daniel P. Wolf". The signature is written in a cursive, flowing style.

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**Daniel P. Wolf, Executive Secretary**