

Ex Parte Communication Report

Date:

To: Public Ex Parte Communication File

Docket No:

Case Name:

From: PUC Staff:

RE: Permissible Ex Parte Communications Pursuant to Minn. Rules, Part 7845.7400.

1. Type of communication: (Oral or Written)

If written, attach the document.

If oral, Date:

Time:

NOTE: In both instances, please notify the Maker the communication has been submitted for inclusion in the record.

2. Maker of the Communication:

3. Recipient of the Communication:

4. For communications involving the setting of interim rates or the review of compliance filings, the topic was:

5. For all other permissible communications that are prohibited for the Commissioners under Minn. Rules, part 7845.7200, the substance of the communication was:

6. For oral permissible ex parte communications, has a copy of this memo been sent to the assigned Administrative Law Judge? Yes No N/A

(Name and Date)

From: [Brian Edstrom](#)
To: [Nikitas, Sophie \(She/Her/Hers\) \(PUC\)](#)
Cc: brandonc@cubminnesota.org; [Harsch, Trey \(PUC\)](#)
Subject: Re: Ex Parte Communication: Docket No. 23-215
Date: Friday, June 14, 2024 1:34:47 PM

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Thank you, Sophie, for the questions and opportunity to add clarification. I understand this email will be filed as an ex parte communication. My responses to your questions are below.

1. CUB raised a concern in Initial Comments about the length of contracts for RNG in Pilot C, but agreed that the Company's clarification that it would offer 5-, 10-, and 15-year contract options would improve the RFP process. However, CUB also said that the "Commission should make clear that CenterPoint will retain the burden to demonstrate that the RFP process is conducted prudently." Does CUB have a recommendation for how the Commission should accomplish this?

Our main point here is to emphasize that the utility bears the burden of demonstrating prudence in conducting its RFP - that includes explaining why the Company would elect to enter some contracts over others. There are a variety of considerations that may factor into that decision-- including, but not limited to, the price per unit of gas purchased. The Commission could order the Company to explain what factors it considered when selecting some bids over others. For example, if the Company elects to enter into a long-term (e.g. 10+ year) contract, did the Company consider what happens, and how ratepayers are affected, if the Company wants or needs to terminate or amend the contract before the term expires. Similarly, the Company should explain why entering into a contract with a fixed price is more prudent than a variable price, or vice versa--and whether that explanation changes if entering into a 5-year vs. 15-year contract. Finally, if the Company selects bids for the purchase of unbundled environmental attributes, it should explain the prudence of those purchases in light of the State's GHG emission reduction goals and the policy purposes underlying the NGIA statute.

1. CUB said in Supplemental Comments that "As the Company moves forward with its RFP, we recommend that the Company favor bids submitted by developers able to produce and distribute RNG locally, so long as such bids remain cost-effective. It will remain the Company's burden to demonstrate how it acted prudently when selecting certain bids and rejecting others." Does CUB support CenterPoint's proposal to rank preference of bids by geography (described in reply comments)?

If the Company were choosing between two very similar bids, with one involving a developer able to produce and distribute RNG locally, and the other involving a developer unable to produce and distribute RNG locally, it would seem prudent to select the former developer. That said, we do not think geography should be the only

factor considered in the RFP process. We agree with this statement from CenterPoint's reply comments: "The Company believes there is a balance between prioritizing in-state resources and GHG reductions, monetary cost, and other factors."

Brian Edstrom | Senior Regulatory Advocate
Citizens Utility Board of Minnesota
332 Minnesota St., Suite W1360, St. Paul, MN 55101
651-792-6781 (cell) 651-300-4701 (main)

On Tue, Jun 11, 2024 at 10:27 AM Nikitas, Sophie (She/Her/Hers) (PUC) <sophie.nikitas@state.mn.us> wrote:

Hi all,

I meant to include Brandon here! Now CC'ed.

Best,

Sophie

Sophie Nikitas

Rates Analyst|Economic Analysis Unit

Pronouns: She/Her

Minnesota Public Utilities Commission

121 7th Place E, Suite 350
Saint Paul, MN 55101-2147

E: sophie.nikitas@state.mn.us

P: 651-539-1062

mn.gov/puc

From: Nikitas, Sophie (She/Her/Hers) (PUC)

Sent: Friday, June 7, 2024 5:23 PM

To: Brendan Pierpont <brendan@energyinnovation.org>; Brian Edstrom <briane@cupminnesota.org>

Cc: Harsch, Trey (PUC) <trey.harsch@state.mn.us>

Subject: Ex Parte Communication: Docket No. 23-215

Hello all,

I am writing to request additional information on comments you made in Docket No. 23-215 (CenterPoint's NGIA). Please note, Staff intends to file this discussion on the record as an ex parte communication.

1. CUB raised a concern in Initial Comments about the length of contracts for RNG in Pilot C, but agreed that the Company's clarification that it would offer 5-, 10-, and 15-year contract options would improve the RFP process. However, CUB also said that the "Commission should make clear that CenterPoint will retain the burden to demonstrate that the RFP process is conducted prudently." Does CUB have a recommendation for how the Commission should accomplish this?
2. CUB said in Supplemental Comments that "As the Company moves forward with its RFP, we recommend that the Company favor bids submitted by developers able to produce and distribute RNG locally, so long as such bids remain cost-effective. It will remain the Company's burden to demonstrate how it acted prudently when selecting certain bids and rejecting others." Does CUB support CenterPoint's proposal to rank preference of bids by geography (described in reply comments)?

Best,

Sophie

Sophie Nikitas

Rates Analyst|Economic Analysis Unit

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