

The Commission met on **Thursday, August 13, 2020**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

**E-002/M-20-402**

**In the Matter of a Petition Submitted by Northern States Power Company, doing business as Xcel Energy, Requesting Approval of its Conservation Improvement Program (CIP) Filing (Electric)**

**E-015/M-20-428**

**In the Matter of Minnesota Power's 2019 Conservation Improvement Program (CIP) Consolidated Filing**

**E-017/M-20-451**

**In the Matter of Otter Tail Power Company's 2019 Demand Side Management (DSM) Financial Incentive Project and Annual Filing to Update the Conservation Improvement Project (CIP) Rider**

**G-008/M-20-455**

**In the Matter of CenterPoint Energy's 2019 Conservation Improvement Program (CIP) Status Report, 2019 Demand Side Management (DSM) Financial Incentive, Conservation Improvement Program Tracker Report, and 2019 Conservation Cost Recovery Adjustment Aggregated Compliance Filing**

**G-002/M-20-403**

**In the Matter of a Petition Submitted by Northern States Power Company, doing business as Xcel Energy, Requesting Approval of its Conservation Improvement Program (CIP) Filing (Natural Gas)**

**G-011/M-20-457**

**In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of 2019 Conservation Improvement Program (CIP) Tracker Account, Demand-Side Management (DSM) Financial Incentive, and Conservation Cost Recovery Adjustment (CCRA) Factor**

**G-022/M-20-458**

**In the Matter of Greater Minnesota Gas, Inc.'s Petition for Approval of 2019 Conservation Improvement Program (CIP) Tracker Account and Conservation Cost Recovery Adjustment (CCRA)**

Commissioner Sullivan moved that the Commission take the following actions:

E-002/M-20-402:

1. Allow Xcel to implement its proposed gas CIP Adjustment Factor (CAF) of \$0.001928 per kWh beginning October 1, 2020, or the first billing cycle in the month following this Order, whichever is later, conditional on the Company submitting, within 10 days of the issue date of this Order, a compliance filing with tariff sheets and necessary calculations that comply with the Commission's determinations in this matter.
2. Approve Xcel's proposed bill message effective the first month the 2020/2021 CIP Adjustment Factor takes effect, revised as necessary to incorporate the approved CAF and effective date.
3. Approve a Shared Savings Demand Side Management financial incentive of \$17,589,180 for Xcel's 2019 electric CIP achievements, and allowed Xcel to include the incentive in the Company's electric CIP tracker account no sooner than the issue date of this Order.
4. Approve Xcel's 2019 Electric CIP tracker account activity, as provided in the Company's Petition and summarized in Table 1 of the Department of Commerce's May 7, 2020, comments, resulting in a December 31, 2019 tracker balance of \$14,097,193.

E-015/M-20-428:

1. Approve Minnesota Power's 2019 CIP tracker account, as summarized in Table 1 of the Department of Commerce comments, with a December 31, 2019 tracker balance of (\$5,384,063).
2. Approve Minnesota Power's new monthly carrying charge rate of 0.2917 percent.
3. Approve Minnesota Power's 2020/2021 Conservation Program Adjustment (CPA) of (\$0.000817) per kWh, to be effective August 1, 2019, or on the first billing cycle in the next full month after Commission approval, whichever is later.
4. Approve a Demand Side Management financial incentive of \$2,353,720 for Minnesota Power's 2019 CIP achievements, to be included in the Company's CIP tracker account no sooner than the issue date of this Order.
5. Approve Minnesota Power's customer notice language, as follows:

Effective <DATE>, the Resource Adjustment line item on your bill has <increased/decreased> due to a change in the Conservation Improvement Program (CIP) billing factor. The CIP portion of the Resource Adjustment is <CPA Factor> per kilowatt-hour (kWh).

6. Grant Minnesota Power a variance to Minnesota Rules part 7820.3500 (K) and a variance to Minnesota Rules part 7825.2600 until issuance of the Commission's Order establishing Minnesota Power's 2020/2021 CPA.
7. Require Minnesota Power to submit a compliance filing, within 10 days of the issue date of this Order, with revised tariff sheets reflecting the Commission's determinations in this matter.

E-017/M-20-451:

1. Approve a DSM incentive of \$2,718,378 for Otter Tail's 2019 achievements.
2. Approve Otter Tail's 2019 CIP tracker account, as summarized in Table 1 of the Department of Commerce comments, resulting in a December 31, 2019 tracker balance of \$3,955,955.
3. Approve Otter Tail's Conservation Cost Recovery Adjustment of \$0.00485 per kWh, to be effective October 1, 2020.
4. Grant Otter Tail a variance to Minnesota Rules part 7820.3500 (K) and a variance to Minnesota Rules part 7825.2600 for one year after the issue date of this Order.
5. Require Otter Tail to submit a compliance filing, within 10 days of the issue date of the Commission's order, with revised tariff sheets reflecting the Commission's determinations in this matter.

G-008/M-20-455:

1. Approve CenterPoint's proposed 2019 DSM financial incentive of \$8,758,401 to be included in the Company's CIP tracker account no sooner than the issue date of this Order.
2. Approve CenterPoint's monthly carrying charge of 0.15%.
3. Approve CenterPoint's 2019 CIP tracker account, as summarized in Table 1 of the Department of Commerce comments, resulting in a December 31, 2019 tracker balance of (\$2,715,768).
4. Approve a 2020/2021 Conservation Cost Recovery Adjustment (CCRA) of \$0.0591 per Dth, effective October 1, 2019.
5. Approve the Company's proposed bill message concerning its CCRA.

G-002/M-20-403:

1. Approve Xcel's proposed 2019 gas Demand Side Management financial incentive of \$1,790,002 and allowed Xcel to include the incentive in the Company's gas CIP tracker account no sooner than the issue date of this Order.
2. Approve Xcel's 2019 gas CIP tracker account activity, as provided in the Company's Petition and summarized in Table 1 of the Department of Commerce comments, resulting in a December 31, 2019 tracker balance of (\$3,730,035)
3. Approve Xcel's proposed bill message language.
4. Allow Xcel to implement its proposed gas CIP Adjustment Factor of \$0.019478 per therm beginning October 1, 2020, or the first billing cycle in the month following the issue date of this Order, whichever is later, conditional on the Company submitting, within 10 days of the issue date of the Commission's order, a compliance filing with tariff sheets and necessary calculations that comply with the Commission's determinations in this matter.

G-011/M-20-457:

1. Approve MERC's 2019 DSM financial incentive of \$1,771,381 to be included in the Company's CIP tracker account no sooner than the issue date of this Order.
2. Approve MERC's 2019 CIP tracker account activities as summarized in Table 1 of the Department of Commerce comments.
3. Approve the revised gas CCRA of \$0.00062 per therm for all of MERC's Minnesota customer classes, to be effective no sooner than the issue date of this Order. The approval is conditioned on the Company submitting, within 10 days of the issue date of this Order, a compliance filing with the relevant tariff sheets and necessary calculations that comply with the Commission's determinations.
4. Require MERC to include the following bill message (with the appropriate date) following the date of this Order:

Effective January 1, 2021, the CCRA (conservation cost recovery adjustment) has been revised to \$0.00062 per therm. The CCRA is an annual adjustment to true-up under-recovery or over-recovery of CIP (conservation improvement program) expenses.

G-022/M-20-458:

1. Approve GMG's 2019 CIP tracker, as summarized in Table 1 of the Department of Commerce comments, resulting in a December 31, 2019 tracker balance of (\$247,725).

2. Approve the continuation of the \$0/Dth CCRA.
3. Require GMG to submit compliance filings as soon as possible but no later than 10 days after the issue date of this Order, in the present docket and in Docket No. G-022/M-19-633, with tariff sheets reflecting the Commission's determinations in both matters.

The motion passed 5–0.

#### **E-111/M-19-674**

#### **In the Matter of Dakota Electric Association's 2019 Integrated Distribution System Plan**

Commissioner Schuerger moved that the Commission take the following actions:

1. Accept Dakota Electric's 2019 Integrated Distribution Plan. Acceptance is not a prudence determination of any proposed system modifications or investments.
2. Require Dakota Electric to discuss in future filings how the IDP meets the Commission's Planning Objectives, including:
  - a. Analysis of how the information in the IDP relates to each Planning Objective,
  - b. The location in the IDP,
  - c. Analysis of efforts taken by the Company to improve upon the fulfillment of the Planning Objectives, and
  - d. Suggestions as to any refinements to the IDP filing requirements that would enhance Dakota Electric's ability to meet the Planning Objectives.
3. Amend IDP Requirement 3.D.2 (xi) of Dakota Electric Association's IDP Requirements to read as follows:

For each grid modernization project in its 5-year Action Plan, require Dakota Electric Association to provide a cost-benefit analysis based on the best information it has at the time and include a discussion of nonquantifiable benefits. Dakota Electric Association shall provide all information to support its analysis.

4. Correct Xcel Energy, Minnesota Power, Otter Tail Power, and Dakota Electric Association's IDP filing requirements in the second paragraph under Planning Objectives as shown:

Commission review of ~~annual~~ distribution system plans ~~are~~ is not meant to preclude flexibility for [UTILITY] to respond to dynamic changes and on-going necessary system improvements to the distribution system; nor is it a prudency determination of any proposed system modifications or investments.

5. Delegate authority to the Executive Secretary to convene a process to engage representatives from each of the rate-regulated utilities and stakeholders to review and discuss the Commission's IDP orders for the next round of IDP reports to help ensure that data included in future IDPs is efficiently gathered and presented.

The motion passed 5–0.

**E-002/PA-19-553**

**In the Matter of the Petition of Northern States Power Company for Approval of the Acquisition of the Mower County Wind Facility**

Commissioner Sullivan moved that the Commission take the following actions:

1. Approve the request of Northern States Power Company d/b/a Xcel Energy (Xcel) to acquire the Mower County Wind Facility and find this transaction is consistent with public interest as required under Minn. Stat. § 216B.50 under the following conditions:
  - a. Xcel must justify any costs (including operations-and-management expense, ongoing capital expense—including revenue requirements related to capital included in rate base—insurance expense, land-lease expense, and property/production tax expense) that are higher than forecasted in this proceeding. Xcel bears the burden of proof in any future regulatory proceeding related to the recovery of costs above those forecasted in this proceeding.
  - b. Xcel customers must be protected from risks associated with the non-deliverability of accredited capacity and/or energy from the Project. The Commission may adjust Xcel's recovery of costs associated with this Project in the future if actual production varies significantly from assumed production over an extended period.
  - c. Xcel must credit to its customers 100% of any additional production tax credits received in connection with the Mower County Wind Facility that it receives as a result of any extension related to production tax credits.
  - d. Grant Xcel's variance to Minn. R. 7825.1800 (B).
2. Approve Xcel's request to recover acquisition adjustments for the Project.

3. Authorize Xcel to recover costs of the Project acquisition through the renewable energy standard rider.
4. Require Xcel to report annually the energy production levels from the Project and explain in detail the causes for any long-term shortfalls in production compared to forecasted levels. The Commission may adjust recovery of costs associated with this project in the future if actual production varies significantly from assumed production over an extended period.
5. Require Xcel to file, within 60 days of completing the transaction, the final journal entries used to record the transaction.

The motion passed 5–0.

#### **ET-2/TL-20-423**

#### **In the Matter of the Application of Great River Energy and Otter Tail Power Company for a Route Permit for the Frazee to Erie 115 kV Transmission Line Project in Becker and Otter Tail Counties**

Commissioner Tuma moved that the Commission take the following actions:

1. Accept the application as complete and authorize review under the alternative permitting process defined in Minn. Stat. § 216B.04 and Minn. R. 7850.2800 to 7850.3900.
2. Request appointment of an Administrative Law Judge to serve as the hearing examiner and request preparation of findings of fact, conclusions of law; recommendation of a preferred route; and permit conditions. The Commission requests that the Administrative Law Judge determine the schedule for any testimony and post-hearing briefing in consultation with interested parties, as necessary.
3. Take the following administrative actions for developing the record:
  - Designate Scott Ek to act as the public advisor to facilitate public participation in the process.
  - Request that the EERA continue to study issues and indicate during the hearing process through testimony or comment its position on the reasonableness of issuing a route permit.
  - Require the Applicants to facilitate in every reasonable way the continued examination of the issues requested by the EERA and Commission staff.

- Require the Applicants to place a copy of the route permit application in the Frazee City Hall.
  - Direct the Applicants to work with Commission staff and the Department to arrange for publication of the notices related to public information meetings and public hearings in newspapers of general circulation under the timelines prescribed in rule and statute, and require that such notice be in the form of visible display ads and that proof of publication be obtained and filed with the Commission.
  - Authorize Commission staff to file a sample route permit in e-dockets.
  - Request that the EERA present draft route alternatives to the Commission for its input prior to the issuance of the final scoping decision.
  - Delegate administrative authority to the Executive Secretary, including the authority to set timelines.
4. Vary Minn. R. 7850.3700, subp. 3, to extend the 10-day timeline for filing the scoping decision.

The motion passed 5–0.

**IP-6997/CN-18-699**

**IP-6997/WS-18-700**

**IP-6997/TL-18-701**

**In the Matter of the Applications of Plum Creek Wind Farm, LLC for a Certificate of Need, Site Permit, and Route Permit for an up to 414 MW Large Wind Energy Conversion System and 345 kV Transmission Line in Cottonwood, Murray, and Redwood Counties**

Commissioner Tuma moved that the Commission take the following actions:

1. Identify an additional route to be included in the scope of the environmental impact statement, the Blue E segment as described in Appendix F of the route permit application.
2. Issue the sample draft site permit as the draft site permit, and will:
  - a. incorporate the modifications proposed by the EERA;
  - b. incorporate the modifications proposed by Plum Creek; and



- c. require Plum Creek to file a supplement to the site permit application addressing the issues above on or before August 28, 2020.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: February 17, 2021**

A handwritten signature in black ink, appearing to read "Will Seuffert", with a long horizontal flourish extending to the right.

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**Will Seuffert, Executive Secretary**