



UPDATED COMPILED DECISION OPTIONS

Filed by Staff

Agenda Meeting: July 17, 2025

DOCKET NUMBER	E-999/CI-23-151
ANALYST	Danielle Winner, Trey Harsch
DATE/TIME SUBMITTED	July 16, 2025, 4:15 p.m.
TITLE	Staff Updated Compiled Decision Options
SUBJECT	In the Matter of an Investigation into Implementing Changes to the Renewable Energy Standard and the Newly Created Carbon Free Standard under Minn. Stat. §216B.1691.

IX. Threshold Issues

REC (or Equivalent) Retirement to Substantiate Compliance

1. The Commission authorizes utilities to demonstrate compliance with the Carbon-Free Standard by retiring Renewable Energy Credits, Alternative Energy Credits, or equivalent Environmental Attribute Credits registered with the Midwest Renewable Energy Tracking System.

Support: Basin, CSG, CRS, CMPAS, CEOs, Connexus, Department, EnergyTag, Great River Energy, LIUNA, M-RETS, Minnesota Power, Minnkota, MRES, OTP, Ramsey/Washington R&E, Xcel

2. The Commission authorizes utilities to propose alternative methods to demonstrate compliance with the Carbon-Free Standard for Commission approval.

Support: Basin, CMPAS, Connexus, LIUNA, Minnesota Power, Minnkota, MRES, OTP, Xcel
Opposed: CEOs, CRS, CSG, EnergyTag, Department, M-RETS

Partially Carbon-Free Facilities

3. In demonstrating compliance with the Carbon-Free Standard, utilities shall apply the following methodology to partially carbon-free facilities:
 - A. EACs shall be issued equivalent to metered generation on a per MWh basis;
 - B. A single REC shall be issued for all generation that may be retired to demonstrate both EETS and CFS compliance;
 - C. A carbon-free allocator, which defines the percentage of CFS eligible generation, must be used for any generation facility that is partially CFS compliant;
 - D. For all generation made in a CFS partial compliant facility that is also eligible for the EETS, metered generation in A. shall be:
 - i. Multiplied by C to determine the whole number of RECs to issue that are fully eligible for both the EETS and the CFS;
 - ii. Multiplied by one minus C to determine the whole number of RECs to issue that are only eligible for the EETS;
 - E. For all generation made in a CFS partial compliant facility that is not eligible for the EETS, metered generation in A. shall be multiplied by C to determine the whole number of AECs to issue that are only eligible for the CFS; and
 - F. The methodology to determine the carbon-free allocation shall be decided in Docket No. E-999/CI-24-352.

Support: CEOs, CMPAS, CSG, Department, EnergyTag, Minnkota

Opposed: Basin, Minnesota Power, OTP

No Position: Connexus, MRES, Xcel

OR

4. Partially carbon-free facilities must be granted partial certificates or carbon-free credits; the Commission will work with M-RETS to develop these credits.

Support: CEOs (prefer 3)

Opposed: Basin, CSG, Department, Minnesota Power, Minnkota, OTP

No Position: Connexus, EnergyTag, MRES, Xcel

OR

5. All matters concerning partially compliant facilities will be discussed in the Life-Cycle Analysis Docket, Docket No. E-999/CI-24-352.

Support: Basin, Great River Energy, LIUNA, Minnesota Power, OTP, Ramsey/Washington R&E, Xcel

Opposed: CEOs, CSG, Department, EnergyTag
No Position: CMPAS, Connexus, MRES

Net Market Purchases: Credit Tracking

6. To substantiate the carbon-free portion of net market purchases in CFS compliance, utilities must accompany net market purchases with RECs/AECs.

Support: CRS, CSG, Department, EnergyTag, M-RETS

Opposed: Basin, Connexus, Great River Energy, LIUNA, Minnesota Power, Minnkota, MRES, OTP

No Position: Xcel

OR

7. To substantiate the carbon-free portion of net market purchases in CFS compliance, utilities may provide a market fuel mix calculation.

Support: Basin, Connexus, Great River Energy, LIUNA, Minnkota, MRES, OTP, Xcel

Opposed: CRS, CSG, Department, EnergyTag, Minnesota Power, M-RETS

OR

Partridge NEW 7A: To calculate the percentage of annual net market purchases that are carbon-free under Minn. Stat. §216B.1691, subd. 2d(b)(2)(ii), each electric utility shall use the average annual fuel mix associated with the MISO North, Zones 1-7, or the applicable regional fuel mix, after removing from the calculation the carbon-free electricity generated directly by the utility or procured by the utility through power purchase agreements in that year. The utility shall use this calculation to show partial compliance with the CFS and is not required to retire RECs/AECs for this purpose.

Support: Basin, Connexus, Great River Energy, LIUNA, Minnesota Power, Minnkota, OTP, Xcel

Opposed: CSG, Department, EnergyTag

No Position: MRES

8. Net market purchases shall only be quantified for CFS compliance when the carbon-free share of the systemwide annual fuel mix or an applicable subregional fuel mix is necessary to demonstrate CFS compliance.

Support: Department, Xcel

Opposed: Basin, CSG, Minnesota Power, Minnkota

No Position: Connexus (but requests clarification regarding the determination of "necessary"), EnergyTag, MRES, OTP

9. The Commission delegates authority to the Executive Secretary to issue a notice of final comment period in the Carbon-Free Standard Docket, Docket No. E-999/CI-23-151, once

matters in the Life-Cycle Analysis Docket, Docket No. E-999/CI-24-352, have been resolved.

Support: Basin, CMPAS, Connexus, MRES

Opposed: Department, Minnesota Power

No Position: CSG, EnergyTag, OTP, Xcel

AND

10. All matters concerning net market purchases will be discussed in the Life-Cycle Analysis Docket, Docket No. E-999/CI-24-352.

(Department has withdrawn DO 10 in favor of Department Modified 10)

Support: Basin

Opposed: CSG, Minnesota Power, MRES

No Position: CMPAS, Connexus, EnergyTag, OTP, Xcel

OR

Department Modified 10. All matters concerning the definition, eligible fuel mix, eligible resources, and measurement of net market purchases will be discussed in the Life-Cycle Analysis Docket, Docket No. E-999/CI-24-352. All matters concerning the calculation of CFS compliance from net market purchases will be decided in the current proceeding.

Support: Department

Reporting: Annual REO Reports

11. Beginning in 2026, each electric utility shall file a report on June 1st with its Renewable Energy Objectives compliance report in Docket No. E-999/PR-YR-12 that includes the following information detailing its efforts toward complying with Minnesota's Carbon-free Standard:

- A. Annual Minnesota retail sales for the previous calendar year.
- B. Annual net market purchases from the previous year.
- C. Annual qualifying carbon-free generation procured or generated by the electric utility in the previous calendar year, including the total number of facilities registered in M-RETS to that utility and eligible Renewable Energy Credits (or other equivalent Energy Attribute Credits) generated in the past year from those facilities.
- D. A list of facilities determined to be partially compliant with the CFS, including the name of the facility, the facility fuel type, and the percent of that facility's output determined to be carbon-free.
- E. From 2026-2030, electric utilities must also report the following:



- i. Estimated amount of carbon-free generation (expressed as capacity) a utility would require to obtain in 2030.
- ii. Estimated carbon-free requirements to meet the CFS in 2030.
- iii. A short summary of ongoing efforts to obtain carbon-free energy, including a brief summary of the anticipated resource mix for CFS compliance.
- iv. Any considerations, such as those outlined in Minn. Stat. § 216B.1691, subd. 2b, that may create challenges with achieving compliance, and which under Minn. Stat. § 216B.1691, subd. 2h(f), may allow the Commission to modify or delay implementation.

(Staff Proposed DO)

Support: Basin, CEOs, Department

Opposed: Minnesota Power (supports Partridge Modified 11)

No Position: Connexus, CSG, EnergyTag, MRES, OTP, Xcel

OR

Partridge Modified 11. Beginning in 2026, each electric utility shall file a report on June 1st with its Renewable Energy Objectives compliance report in Docket No. E-999/PR-YR-12 that includes the following information detailing its efforts toward complying with Minnesota's Carbon-free Standard:

A. Annual Minnesota retail sales for the previous calendar year.

B. Annual net market purchases from the previous year.

C. Annual purchases of unbundled Renewable Energy Credits (or other equivalent Energy Attribute Credits) for the purpose of CFS compliance.

~~C.D.~~ Annual qualifying carbon-free generation procured or generated by the electric utility in the previous calendar year, including the total number of facilities registered in M-RETS to that utility and eligible Renewable Energy Credits (or other equivalent Energy Attribute Credits) generated in the past year from those facilities.

~~D.E.~~ A list of facilities determined to be partially compliant with the CFS, including the name of the facility, the facility fuel type, and the percent of that facility's output determined to be carbon-free.

~~E.F.~~ From 2026-2030, electric utilities must also report the following:

- i. Estimated amount of carbon-free generation (expressed as capacity) a utility would ~~require-need~~ to obtain ~~in~~ by 2030.

- ii. Estimated carbon-free requirements, on a MWh basis, to meet the CFS in 2030.
- iii. A short summary of ongoing efforts to obtain carbon-free energy, including a brief summary of the anticipated resource mix for CFS compliance.
- iv. Any considerations, such as those outlined in Minn. Stat. § 216B.1691, subd. 2b, that may create challenges with achieving compliance, and which under Minn. Stat. § 216B.1691, subd. 2h(f), may allow the Commission to modify or delay implementation.

Support: Basin, CSG, Department, LIUNA, Minnesota Power, Xcel
No Position: CMPAS, Connexus, EnergyTag, MRES, OTP

OR

GRE Modification of Partridge Modified 11. Beginning in 2026, each electric utility shall file a report on June 1st with its Renewable Energy Objectives compliance report in Docket No. E-999/PR-YR-12 that includes the following information detailing its efforts toward complying with Minnesota's Carbon-free Standard:

- B. Annual Minnesota retail sales for the previous calendar year.
- B. Annual net market purchases from the previous year.
- C. Annual purchases of unbundled Renewable Energy Credits (or other equivalent Energy Attribute Credits) for the purpose of CFS compliance.
- D. Annual qualifying carbon-free generation procured or generated by the electric utility in the previous calendar year, including the total number of facilities registered in M-RETS to that utility and eligible Renewable Energy Credits (or other equivalent Energy Attribute Credits) generated in the past year from those facilities.
- E. A list of facilities determined to be partially compliant with the CFS, including the name of the facility, the facility fuel type, and the percent of that facility's output determined to be carbon-free.
- F. From 2026-2030, electric utilities must also report the following:
 - ~~i. Estimated amount of carbon-free generation (expressed as capacity) a utility would need to obtain by 2030.~~
 - iii. Estimated carbon-free requirements, on a MWh basis, to meet the CFS in 2030.
 - iiii. A short summary of ongoing efforts to obtain carbon-free energy, including a brief summary of the anticipated resource mix for CFS compliance.
 - iviii. Any considerations, such as those outlined in Minn. Stat. § 216B.1691, subd.

2b, that may create challenges with achieving compliance, and which under Minn. Stat. § 216B.1691, subd. 2h(f), may allow the Commission to modify or delay implementation.

Support: Great River Energy

AND

- 12.** The Commission delegates authority to the Executive Secretary to work in conjunction with the Department of Commerce and utilities to update the Renewable Energy Objectives reporting template to incorporate the reporting requirements approved in this docket and modify them as necessary based on the results of the LCA Docket, Docket No. E-999/CI-24-352.

(Staff Proposed DO)

Support: Basin, CEOs, Connexus, Department, Great River Energy, LIUNA, Minnesota Power, MLIG, MRES, OTP, Xcel

No Position: CMPAS, CSG, EnergyTag

X. Additional Considerations

Hourly Matching for CFS Compliance

No current decision options.

Hourly Matching Workgroup

- 13.** The Commission delegates authority to the Executive Secretary to convene a stakeholder workgroup that is tasked with the analysis, development, testing, and recommendation of best practices for the optimization of societal costs as they pertain to:
- A. Hourly matching for CFS compliance;
 - B. Methodologies to implement hourly matching scenario requirements in integrated resource plans;
 - C. The integration of transmission constraints in integrated resource plans;
 - D. The integration of energy attribute certificates and allocation thereof in integrated resource plans;
 - E. Stochastic modeling of variable renewable generation into integrated resource plans; and
 - F. The co-optimization of transmission and generation resources.

(Department has withdrawn DO 13 in favor of Department Modified 13)

Support: CEOs, CSG, EnergyTag, LIUNA

Opposed: Basin, Connexus, Minnesota Power, Minnkota, MRES, OTP

No Position: Xcel

OR

Department Modified 13. The Commission delegates authority to the Executive Secretary to convene a stakeholder workgroup that is tasked with the analysis, development, testing, and recommendation of best practices for the optimization of societal costs as they pertain to:

- A. Modeling of 100% CFS compliance;
- B. The integration of energy attribute certificates and allocation thereof in integrated resource plans;
- C. Multi-state allocation of CFS-eligible generation;
- D. Comparison of historical to modeled generation;
- E. Hourly matching for CFS compliance;
- F. The integration of transmission constraints in integrated resource plans;
- G. Stochastic modeling of variable renewable generation into integrated resource plans; and
- H. The co-optimization of transmission and generation resources.

Support: Department

OR

EnergyTag Modified 13. The Commission delegates authority to the Executive Secretary to convene a stakeholder workgroup that is tasked with the analysis, development, testing, and recommendation of best practices for the optimization of societal costs as they pertain to:

- A. Hourly matching for CFS compliance;
- B. Methodologies to implement hourly matching scenario requirements in integrated resource plans;
- C. The integration of transmission constraints in integrated resource plans;
- D. The integration of energy attribute certificates and allocation thereof in

integrated resource plans;

- E. Stochastic modeling of variable renewable generation into integrated resource plans; and
- F. The co-optimization of transmission and generation resources.

The workgroup would be required to produce a report to the Commission which indicates specific support or lack of support for implementing an hourly matching requirement for compliance. If consensus cannot be reached, decision options with explanatory votes can be submitted for review to the Commission. This output should come no later than 12 months after the formation of the workgroup.

Support: EnergyTag

Hourly Matching in IRP

- 14.** In all integrated resource plans where the utility uses a capacity expansion model, the utility shall incorporate hourly matching constraints in the models to demonstrate CFS compliance.

Support: CEOs, EnergyTag

Opposed: Aligned Utilities, Basin, Great River Energy, LIUNA, Minnesota Power (supports Partridge Modified 14), Minnkota, MRES, OTP

No Position: Connexus, CSG, Department, Google

OR

- Staff Modified 14.** In future resource plans, and to the extent practicable, IRP-filing utilities shall incorporate one or more contingencies that use an hourly matching construct to achieve the state's CFS. Utilities shall accompany this with a discussion of the potential costs, benefits, possibilities, and limitations of a potential future regulatory hourly matching requirement.

(Staff Proposed)

Support: CEOs, CSG, EnergyTag

Opposed: Minnesota Power (supports Partridge Modified 14), Minnkota, MRES

No Position: Basin, Connexus, Department

OR

- Partridge Modified 14.** In future resource plans, and to the extent practicable, IRP-filing utilities shall incorporate one or more ~~contingencies~~ sensitivities that use an hourly matching construct to achieve the state's CFS. Utilities shall accompany this with a discussion of the potential costs, benefits, possibilities, and limitations of a potential future regulatory hourly matching requirement.

Support: Department, EnergyTag, LIUNA, Minnesota Power

Opposed: Basin, Minnkota, MRES

No Position: Connexus, CSG, OTP, Xcel

OR

GRE Modification of Partridge Modified 14. In future resource plans, and to the extent practicable, IRP-filing utilities shall incorporate one or more sensitivities that use an hourly matching construct to achieve the state's CFS. Utilities shall accompany this with a discussion of the potential costs, benefits, possibilities, and limitations of a potential future ~~regulatory~~ hourly matching requirement.

Support: Great River Energy

15. In future resource plans, IRP-filing utilities shall report hourly information concerning carbon-free versus non-carbon-free resources for each of the Commission's required regulatory/externality scenarios.

(Staff Proposed)

Support: CSG, Department, EnergyTag, Google

Opposed: Basin, Minnesota Power (supports Partridge Modified 14), Minnkota, MRES, OTP

No Position: Connexus, Xcel

OR

Google Modified 15. In future resource plans, IRP-filing utilities shall include one or more analyses of different degrees of hourly clean energy matching. ~~shall report hourly information concerning carbon-free versus non-carbon-free resources for each of the Commission's required regulatory/externality scenarios.~~

Support: Google

Hourly Data Reporting

16. All electric utilities shall report sales and purchases of EACs at the time interval required for CFS matching, or at the smallest time increment possible, with their REO annual reports.

(Department has withdrawn DO 16)

Support: CEOs, CSG, EnergyTag

Opposed: Basin, CMPAS (supports CMPAS Modified 16), Connexus, Minnesota Power, Minnkota, MRES, OTP

OR

CMPAS Modified 16. All electric utilities shall report sales and purchases of EACs at the time interval required for CFS matching, ~~or at the smallest time increment possible,~~ with their

REO annual reports.

Support: CMPAS

- 17.** All electric utilities shall report their hourly Minnesota retail electric sales for the previous calendar year with their REO annual reports.

(Department has withdrawn DO 17)

Support: CEOs, CSG, EnergyTag

Opposed: Basin, CMPAS, Connexus, Minnesota Power, Minnkota, MRES, OTP

- 18.** With their annual REO reports, utilities shall include the following information:

- a) The utility's projected reliance on RECs purchased without purchasing the associated energy (unbundled RECs) to comply with the CFS through 2040.
- b) A discussion of the expected hourly timing of anticipated carbon-free generation (with bundled RECs) and unbundled REC purchases through 2040.
- c) An estimate of what the utility's projected compliance with the CFS would be through 2040 if RECs could only be claimed if they were time-matched.
- d) For filings verifying compliance with a previous year's CFS, an estimate of the utility's carbon-free percentage if the RECs it purchased and generated had to be time-matched with the utility's demand on an hourly basis.
- e) a discussion of any barriers to acquiring the information listed above and efforts the utility has made to obtain or estimate it.

Support: CEOs, Department, EnergyTag

Opposed: Basin, CMPAS, Connexus, Minnesota Power, Minnkota, MRES, OTP, Xcel

No Position: CSG

Hourly EAC Tracking and Certification

- 19.** Public electric utilities shall investigate and implement systems to track and certify clean energy on an hourly basis. Within six months of this Order, each applicable utility shall file a report in this docket including a summary of their investigations and an implementation action plan and timeline.

(Staff interpretation of Google recommendation; Google prefers Department/Google Modified 19)

Support: EnergyTag

Opposed: Basin, Minnesota Power (supports Minnesota Power Modified 19), Minnkota, OTP,

No Position: Connexus, CSG, Department (support if Department/Google Modified 19 not adopted), MRES

OR

Department/Google Modified 19. Public electric utilities shall investigate and work with the local registry to implement systems to track and ~~certify~~ create hourly clean energy certificates, to enable hourly clean energy matching for their customers ~~on an hourly basis~~. Within six months of this Order, each applicable utility shall file a report in this docket including a summary of their investigations and an implementation action plan and timeline.

Support: Department, Google

OR

Minnesota Power Modified 19. ~~Public e~~lectric utilities shall investigate ~~and implement systems processes~~ to track and ~~certify~~ provide clean energy on an hourly basis for individual customers upon their request. ~~Within six months of this Order, e~~Each applicable utility shall file a report in this docket including a summary of their investigations and an implementation action plan and timeline on a date agreed upon by the utility and customer.

Support: Minnesota Power

Shelf Life of RECs

20. Effective January 1, 2030, the Commission amends Order Points 1 and 3 from its December 18, 2007 Order in Docket Nos. E-999/CI-04-1616 and E999/CI-03-869 and modifies order point 6 of the Commission's December 6, 2023 Order in Docket E-999/CI- 23-151 to remove "All renewable energy credits generated from such facilities will be eligible for use in the year of generation and for four years following the year of generation," and replace that language with "All renewable energy credits generated from such facilities will be eligible for use in the year of generation and for one year following the year of generation."

Support: CSG, Department, EnergyTag

Opposed: Basin, CMPAS, Connexus, Great River Energy, LIUNA, Minnesota Power, Minnkota, MRES, OTP, Xcel

OR

21. The Commission affirms that for purposes of Renewable Energy Objective compliance substantiation, Renewable Energy Credits and Alternative Energy Credits from carbon-free, non-renewable facilities will be eligible for use in the year of generation and for four years following the year of generation.

Support: Basin, CMPAS, Connexus, LIUNA, OTP, Xcel

Opposed: CSG, Department, EnergyTag, Minnesota Power (supports Partridge Modified 21)

No Position: MRES

OR

Partridge Modified 21. The Commission affirms that, at this time, for purposes of Renewable Energy Objective compliance substantiation, Renewable Energy Credits, ~~and~~ Alternative Energy Credits, and equivalent Environmental Attribute Credits from carbon-free, non-renewable facilities will be eligible for use in the year of generation and for four years following the year of generation.

Support: Basin, CMPAS, Connexus, Minnesota Power, Minnkota, MRES, Xcel

Opposed: CSG, Department, EnergyTag

No Position: OTP

OR

GRE Modification of Partridge Modified 21. The Commission affirms that, at this time, for purposes of Renewable Energy Objective, and Carbon-free standard compliance substantiation, Renewable Energy Credits, Alternative Energy Credits, and equivalent Environmental Attribute Credits will be eligible for use in the year of generation and for four years following the year of generation.

Support: Great River Energy

AND

Partridge NEW 21 A: To further inform the Commission, each electric utility subject to the CFS shall make a compliance filing by June 1, 2026, in this docket providing information about how the utility would utilize its existing and anticipated bank of RECs, AECs or equivalent EACs if the Commission were to reduce the shelf life of credits in 2035 to:

- 2 years
- 1 year
- No shelf life (The removal of the shelf life means that credits are only eligible for compliance in the year they were generated, [example, a credit generated in 2026 would be eligible for 2026 compliance].)

Each utility shall provide a discussion of the costs and benefits of the different shelf lives noted above, including but not limited to potential costs or benefits to ratepayers and impact on greenhouse gas emissions resulting from the utility's owned and contracted generation.

Support: CMPAS, EnergyTag, Xcel

Opposed: Basin, CSG, Connexus, Minnesota Power, Minnkota

No Position: Department (support if 20 not adopted), MRES, OTP

Geographical Considerations

22. With their annual REO reports, utilities must provide the following information:

- A) The electric utility's predicted and actual rates of compliance with the Minnesota CFS, based on the statutory formula below:

$$\frac{\text{"electricity generated from a carbon – free energy technology to provide the electric utility's retail customers in Minnesota"}}{\text{"the electric utility's total retail electric sales to retail customers in Minnesota"}}$$

The utility must precisely explain how the numerator and denominator were calculated, and it must demonstrate that it has only included in the numerator carbon-free electricity (and/or applicable RECs) generated or procured to provide to retail customers in Minnesota (and therefore, that it has excluded electricity that serves customers in other states, that supports net sales to regional markets, or that is sold to other parties that are not Minnesota retail customers).

- B) the utility's predicted and actual percentage of carbon-free generation on a system-wide basis. If the percentage of carbon-free generation claimed under the Minnesota CFS calculation in item A above is different than the percentage of carbon-free generation on the utility's total system, the utility must identify and explain the difference.
- C) the utility's predicted and actual estimated line losses, including the basis for the estimate and an explanation of how those line losses affect the calculation under item A above.
- D) the utility's predicted and actual sales to parties other than retail customers in Minnesota, specifically identifying net annual sales to regional markets, sales to retail customers in other states, and any other sales to parties other than Minnesota retail customers. The explanation must state whether the utility has sold the RECs associated with any of these sales if they are of carbon-free power.
- E) the utility's predicted and actual purchase of RECs or retention of RECs from generation provided to non-Minnesota retail customers or from excess sales to MISO or other regional markets, identifying which are bundled and which are unbundled. RECs attributable to electricity generated or procured by the utility must be listed as bundled RECs, and those purchased from other parties where the energy associated with the REC was not purchased must be listed as unbundled RECs.
- F) the predicted and actual CO₂ emissions associated with all electricity generated or procured to provide retail customers in Minnesota, including

emissions associated with the excess power generated or procured to cover line losses.

Support: CEOs, MLIG (D and E only)

Opposed: Basin, Connexus, CSG, Department, LIUNA, Minnesota Power, Minnkota, MRES, OTP, Xcel

No Position: EnergyTag

23. Only generation located within Minnesota or MISO North shall be CFS eligible.

Support: CSG, EnergyTag

Opposed: Basin, CMPAS, Connexus, Department, LIUNA, Minnesota Power, Minnkota, MRES, OTP

OR

24. Utilities may use EACs from any location for EAC compliance, as long as those EACs meet all eligibility requirements for CFS.

Support: Basin, CMPAS, Connexus, LIUNA, Minnesota Power, Minnkota, MRES, OTP, Xcel

Oppose: CSG, Department, EnergyTag

25. All procurements of physical assets, PPAs, and any other contract that involves EACs necessary to meet Minn. Stat. § 216B.1691 compliance requirements shall be subject to the following geographic preference reporting requirements at the time the procurement decision is proposed:

A. Procurements Within Minnesota:

1. The number of EACs expected to be procured each year.

B. Procurements in Counties or Municipal Divisions Bordering Minnesota:

1. The number of EACs expected to be procured each year.

2. The state and county or municipal division and country of procurement.

C. Procurements in the MISO territory of Non-Border Counties of North Dakota, South Dakota, Iowa, Wisconsin, and Manitoba:

1. The number of EACs expected to be procured each year.

2. The state and county or municipal division and country of procurement.

3. Explanation of any technical, cost, or other constraints that preclude a

procurement under A. or B.

4. Explanation of any local benefits including jobs, tax revenue, other economic factors, air quality, and environmental justice considerations that will not be received by Minnesota ratepayers.

D. Procurements in all Other Locations:

1. The number of EACs expected to be procured each year.
2. The state and county or province of procurement.
3. Discounted cash flow that demonstrates why a procurement under A., B., or C. is financially harmful to Minnesota ratepayers.
4. Technical analysis of why there is insufficient transmission, siting, or unbundled EAC availability under A., B., or C.
5. Quantification of any local benefits including jobs, tax revenue, direct and indirect economic factors, air quality, and environmental justice considerations that will not be received by Minnesota ratepayers.

Support: Department, EnergyTag

Opposed: Basin, CMPAS, Connexus, CSG, LIUNA, Minnesota Power, Minnkota, MRES, OTP

Line Losses

26. To comply with the CFS and EETS, utilities must factor line losses into their compliance measurements.

(Department has withdrawn DO 26 in favor of Department Modified 26)

Support: CSG, EnergyTag

Opposed: Basin, Connexus, LIUNA, Minnesota Power, Minnkota, MRES, OTP, Xcel

OR

Department Modified 26. To comply with the CFS, ~~and~~ EETS, SES, and DSES, utilities must factor line losses into their compliance measurements.

Support: Department

Clean Transition Tariff

No current decision options.

Net Market Purchases: Average Fuel Mix vs. Residual Mix Accounting

27. When calculating partial compliance credit for net market purchases, utilities must use a MISO subregional residual fuel mix. The Commission will work with M-RETS to establish a subregional residual mix that all utilities in a subregion may use in their calculations.

Support: CRS

Opposed: Basin, Minnesota Power, Minnkota, MRES

No Position: Connexus (opposed if utility must calculate residual mix, no position if M-RETS or third party calculates it), CSG, Department, EnergyTag, OTP, Xcel

OR

- Department Modified 27.** When calculating partial compliance credit for net market purchases, utilities must use a single MISO subregional residual fuel mix. The Commission will work with M-RETS to establish a single subregional residual mix that all utilities in ~~a~~the subregion ~~may must~~ use in their compliance calculations.

Support: Department (if DO 6 not chosen)

OR

28. For unspecified net market purchases, an obligated entity's remaining CFS requirement shall be calculated based upon an applicable subregional residual fuel mix at the utility-specific level.

Support: CSG, EnergyTag

Opposed: Basin, Connexus, Department, Minnesota Power, Minnkota, MRES

No Position: OTP, Xcel

29. When calculating partial compliance credit for net market purchases, utilities participating in MISO must use the fuel mix of the MISO North subregion (Local Resource Zones 1-7).

Support: CEOs, Connexus, MRES, OTP

Opposed: CSG, Department, EnergyTag, Minnesota Power

No Position: Basin

Enhanced Auditing

30. The Commission requests that the Department perform enhanced auditing of utility REO reports. Pursuant to Minn. Stat. § 216B.62, subd. 8, the Commission requests that the Department seek authority from the Commissioner of Management and Budget to incur costs for specialized technical and professional investigative services to assist with auditing of all CFS reports for up to three years.

Support: CEOs, Department

Opposed: Basin, Connexus, Minnkota, MRES, OTP

No Position: CSG, EnergyTag, Minnesota Power

AND

- 31.** The Department will make a filing within six months of this Order, proposing a process for enhanced audits. The Commission delegates authority to the Executive Secretary to set a procedural schedule for interested parties to comment upon the Department’s proposal. Enhanced audits performed by the Department should follow an established process, with initial input by utilities.

Support: CMPAS, CEOs, Department

Opposed: Basin, Connexus, Minnkota, MRES, OTP

No Position: CSG, EnergyTag, Minnesota Power

Request for Common Definitions

- 32.** The Commission delegates authority to the Executive Secretary to issue a list of common definitions, open for notice of comment, to develop shared terminology. Terms on the list will include, but are not limited to: bundled EAC, unbundled EAC, specified purchase, unspecified purchase, specified resource.

(Staff interpretation of CMPAS)

Support: CMPAS, Minnkota

No Position: Basin, Connexus, CSG, Department, EnergyTag, Minnesota Power, MRES, OTP, Xcel

OR

- CMPAS New 32A.** The Commission affirms that, at this time, for the purposes of Carbon Free Standard compliance substantiation, “bundled EAC” means EACs that are contractually coupled together with deliverable physical energy from any source, not just energy from the generator producing the EACs.

Support: CMPAS

AND

- CMPAS New 32B.** The Commission affirms that, at this time, for the purposes of Carbon Free Standard compliance substantiation, “power purchase agreement” means any forward contract delivering predetermined amounts of physical energy to a utility, regardless of whether the source is a single generator/asset, an aggregation of varying numbers of generators/assets, or MISO’s MINN.HUB).

Support: CMPAS

XI. Topics Outside the Scope of this Round/Docket

Contract Off-Ramps

33. RECs or AECs from existing contracts shall be eligible for CFS compliance beyond 2030.

Support: Basin, CMPAS, Minnkota

Oppose: CSG, Department, EnergyTag, OTP

No Position: Connexus, Minnesota Power, MRES, Xcel

Cost and Reliability Reporting

34. Pursuant to Minn. Stat. § 216B.1691, subd. 2e, the Commission requires all electric utilities to file:

A. A reference case scenario, detailing the least cost plan, from a ratepayer impact perspective, for meeting the CFS by 2040 and 2050; and

B. A reference case scenario, detailing the least cost plan, from a ratepayer impact perspective, to partially meet the CFS by 2040 and 2050.

Support: MLIG

Opposed: Basin, CEOs, Connexus, Department, Minnesota Power, Minnkota, MRES, OTP

No Position: CSG, EnergyTag, Xcel

35. With their annual REO reports, utilities shall provide information about how compliance with the EETS, SES, and CFS impacts system reliability.

Support: Minnesota Power, MLIG

Opposed: Basin, CEOs, Connexus, Department, Minnkota, MRES, OTP

No Position: CSG, EnergyTag, Xcel

CFS Eligibility and Percent Carbon-Free Determinations

36. RECs, AECs, or equivalent EACs must be from carbon-free sources to be used for compliance with the CFS, and no RECs from biomass or solid waste facilities may be used unless those facilities have been subject to a life-cycle analysis and have had their carbon-free status approved by the Commission.

Support: CEOs, CSG, EnergyTag

Opposed: Basin, CMPAS, Department, Minnesota Power, OTP, Ramsey/Washington R&E

No Position: Connexus, MRES, Xcel

XII. Partridge Response to Federal Legislation

Partridge NEW 1: All RECs, AECs or equivalent EACs used to meet the REO obligations in Minn. Stat. § 216B.1691 after the issuance of this order shall have a four-year shelf life commencing January 2030 provided the carbon-free resource either:

1. begins construction after July 4, 2026 and is placed in service by December 31, 2027; or
2. begins construction prior to July 5, 2026 and is placed in service within four years after construction begins.

In this instance, a four-year shelf life refers to the year of generation plus four years.

Support: CMPAS, CSG (provided all other projects have a one-year shelf life), EnergyTag (provided all other projects have a one-year shelf life), Minnesota Power (provided enacted with Partridge Modified 21 and not precluding other projects from 4-year shelf life), Xcel

Opposed: Basin (if it shortens four-year shelf life for other resources), Connexus (in favor of Connexus Modification of Partridge NEW 1), MRES

No Position: CEOs, Department, OTP

OR

Connexus Modification of Partridge NEW 1: All RECs, AECs or equivalent EACs used to meet the REO obligations in Minn. Stat. § 216B.1691 ~~that either after the issuance of this order shall have a four-year shelf life commencing January 2030 provided the carbon-free resource either:~~

1. begins construction after July 4, 2026 and is placed in service by December 31, 2027; or
2. begins construction prior to July 5, 2026 and is placed in service within four years after construction begins. shall have a four-year shelf life commencing January 2030.

~~In this instance, a four-year shelf life refers to the year of generation plus four years.~~

Support: Connexus

OR

GRE Modification of Partridge NEW 1. All RECs, AECs or equivalent EACs used to meet the REO obligations in Minn. Stat. § 216B.1691 after the issuance of this order shall have a four-year shelf life commencing January 2030 provided the carbon-free resource either:

1. ~~begins construction after July 4, 2026 and~~ is placed in service by December 31, 2027; or

2. begins construction prior to July 5, 2026 and is placed in service within four years after construction begins.

~~In this instance, a four-year shelf life refers to the year of generation plus four years.~~

Support: Great River Energy, Minnkota

Partridge NEW 2: Each electric utility that is required to file a resource plan under Minnesota Statutes section 216B.2422, subdivision 2, shall file a plan with the Commission detailing 1) if and how the utility intends to accelerate the construction and in-service dates of carbon-free energy projects to maximize the amount of federal tax credits or other federal incentives to the benefit of its Minnesota customers; 2) additional efforts the utility will take to avoid other aspects of the 2025 Budget Reconciliation Law that would otherwise increase costs to its Minnesota customers; and 3) what supportive actions the Commission or other state regulatory bodies could take to mitigate negative impacts of recent federal energy policy changes. Plans shall be filed in this docket within 60 days after the issuance of this Order.

Support: CEOs, CSG, Department, Great River Energy, Minnesota Power, Xcel

Opposed: Basin (for Advisory IRPs), Minnkota

No Position: Connexus, EnergyTag, MRES, OTP