



February 11, 2022

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, Suite 350
St. Paul, MN 55101

Re: *In the Matter of the Great River Energy's 2022-2036 Integrated Resource Plan; PUC
Docket Nos. ET2/RP-17-286, ET2/TL-21-434*

Dear Mr. Seuffert,

Clean Up the River Environment (CURE) respectfully submits these comments in response to the Public Utilities Commission's notice of comment period, published February 1, 2022, on Great River Energy's request for an extension of the due date for the filing of its Integrated Resource Plan (IRP).

Topics Open for Comment:

1. Should the Commission approve Great River Energy's request for an extension to the due date for the filing of its Integrated Resource Plan (IRP) with the Commission from April 1, 2022, to April 1, 2023?
2. Should the Commission consider an alternative date for GRE to file its next IRP?
3. If a one-year extension is granted, should the Commission direct GRE to file an interim update?

Response:

The Commission should not approve Great River Energy's request for a second extension of the due date for the filing of their IRP. As stated in the notice for public comment, GRE previously asked for a one-year extension of this deadline, arguing that the extension was necessary because of its recent decision to shut down Coal Creek Station.¹ Now, GRE claims that a second extension is necessary because of the pending sale of Coal Creek Station and the purchase of 400 megawatts (MW) of energy from the Discovery Wind project in North Dakota. But the fact that GRE is currently considering pending decisions does not exempt it from completing an IRP on schedule with whatever information is currently available and has informed its recent major planning decisions.

¹ <https://greatriverenergy.com/major-power-supply-changes-to-reduce-costs-to-member-owner-cooperatives/>.

Since its last extension request, GRE has made significant resource planning decisions that will drive its customers' electricity costs for the next decade. In May 2020, GRE announced that it would close Coal Creek in 2022 because it had lost \$170 million in 2019.² GRE's plan also included adding 1,100 MW of wind purchases.³ GRE stated that this decision was in the interest of its members, whose rates could be expected to decline by 13%.⁴

Then, GRE abruptly reversed course, announcing that it would be selling Coal Creek to Rainbow Energy—a company that has never operated a coal plant—and contracting to buy power from the plant for the next eight years.⁵ Additionally, the plan would have GRE sell its highly valuable HVDC line to Rainbow for book value. According to publicly available information, Rainbow also plans to install carbon capture at Coal Creek, a project estimated to cost \$1.5 billion to \$1.7 billion.⁶

Because these changes are so significant, it is even more important that the Commission be allowed to review GRE's plans in detail and determine how those decisions will impact member cooperatives and member-owners.

Granting GRE's request for an extension will also negatively impact member-owners, the backbone of electric cooperatives. Member-owners rely on IRPs to learn about GRE's transactions and planning decisions and how those decisions will affect utility rates. Transparency is a key part of that process, and an inherent theme in the seven cooperative principles—which GRE claims to be committed to promoting.

Yet GRE has not made public even the most basic, high-level facts about its contract with Rainbow Energy. For instance, GRE has not shared the price (\$/kWh) member cooperatives can expect to pay for electricity, how much the average residential member-owner can expect to pay per month, and whether member-owners can expect their rates and bills to go up or down—as well as the analysis needed to assess the credibility of these predictions. Nor has GRE explained what protections it has secured, if any, should Rainbow's costs to install carbon capture at the Coal Creek plant balloon, as has occurred at other carbon capture projects nationwide. Presumably, GRE has made the case to member cooperative boards that member-owners will save money from this deal. But it is unclear how continuing to buy power from an uneconomic coal plant—with the giant additional cost of a carbon capture project—is a good deal for member-owners. If the deal is in member cooperatives' and member-owners' best interests, and if GRE is truly committed to cooperative principles of democratic control and transparency, then GRE should be willing to make key pieces of information public. It is highly concerning that GRE is now seeking an extension in the only Minnesota venue in which member owners can obtain any transparency into

² <https://greatriverenergy.com/plant-closure-renewable-plans-detailed-at-industry-event/>.

³ <https://greatriverenergy.com/major-power-supply-changes-to-reduce-costs-to-member-owner-cooperatives/>.

⁴ <https://www.startribune.com/great-river-to-sell-coal-plant-but-still-buy-power-from-it/600073675/>.

⁵ <https://www.startribune.com/great-river-deal-to-sell-massive-north-dakota-coal-plant-gets-key-regulatory-ok/600133335/>.

⁶ *Id.*

GRE's decisions. Holding GRE to the established, timely submission of its IRP would combat, at least in part, GRE's lack of transparency, consultation, and dissemination of information.

Furthermore, it is the nature of electric cooperatives to continuously adapt their planned energy generation, based on shifting needs, availability, and costs. This in turn means that GRE will almost always be conducting contract negotiations or planning future energy requirements when preparing an IRP. To allow GRE perpetual extensions, simply because planning decisions are not final, goes against the purpose of an IRP. Minn. Stat. § 216C.05, subd 1.

If the Commission nonetheless decides to extend the deadline for the IRP a second time, then it should also require GRE to file an interim update that provides information regarding, at minimum, the following critical elements regarding its deal with Rainbow Energy:

- The price (\$/kWh) that GRE will pay for electricity from Rainbow
- Any capacity price or demand charge (\$/MW)
- Average residential bill estimates
- Key contract provisions explaining how the cost of carbon capture and sequestration may be passed on to member-owners, and any consumer protections regarding the same
- GRE's analysis of why this deal is in its member cooperatives' interest and why this deal is better for member-owners than its previous plan to retire Coal Creek
- GRE's underlying analysis for all of the above

Requiring GRE to report this information is well within the Commission's authority. Minn. Stat. § 216B.2442, subd. 2. Nor is this request burdensome. One would hope that GRE presented the information listed above to member cooperatives, who had to vote to approve the contract. GRE need not undertake any new analysis to submit this interim report; merely provide the Commission with the analysis it already undertook to evaluate whether these deals were in its member cooperatives' and member-owners' interests.

Sincerely,

/s/ Sarah Mooradian, Government Relations and Policy Director

/s/ Erik Hatlestad, Energy Democracy Program Director

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