

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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January 13, 2020

In the Matter of an Investigation into Self-Commitment and Self-Scheduling of Large Baseload Generation Facilities

Docket No. E999/CI-19-704

COMMENTS OF FRESH ENERGY

Fresh Energy submits these comments in response to the Commission’s December 12, 2019 Notice of Comment Period regarding process and scope for the Commission’s Investigation into Self-Commitment and Self-Scheduling of Large Baseload Generation Facilities (the Investigation).

Regarding the scope of this investigation, should there be any additions or clarifications to the direction given by the Commission in ordering paragraphs 8, 9, and 10 of the November 13, 2019 Order (AA-18-373)?

Fresh Energy proposes a clarification regarding the time period of the net cost/benefit calculations utilities perform and of the data to be submitted pursuant to the Commission’s November 13, 2019 Order (“Order”) point 10. We request that Xcel Energy, Minnesota Power, and Otter Tail Power (jointly, “the utilities”) perform the net cost/benefit analysis and submit data as specified in Order point 10 covering the five-year period: January 1, 2015-December 31, 2019. We do not believe this will be a significantly larger lift than simply providing data for the next fuel charge compliance period July 1, 2018-December 31, 2019.

As part of the fuel charge adjustment proceedings for fiscal years 2017 and 2018 (dockets 17-492 and 18-373), the utilities provided Fresh Energy hourly data for each self-committed generating unit for the two-year period July 1, 2016-June 30, 2018. It will be helpful for participating stakeholders to have this prior-year data in the uniform format described in Order point 10. Because of large seasonal and year-to-year variation in market prices, we are

requesting that 18 months of data (January 1, 2015-June 30, 2016) be added to the sample to improve the accuracy of the analysis and provide a longer view.

Are there issues that should be addressed in this investigation in addition to those specified in the November 13, 2019 Order (AA-18-373)? What issues should be addressed in the annual March 1 seasonal dispatch / strategic economic commitment compliance filings?

Fresh Energy requests that one addition be made to the investigation. In order to have a full picture of the potential net costs or benefits of changing how a unit is committed, the record should include an itemized list of planned and expected investments over the lifetime of each unit, and estimated or actual costs for each expected investment. This can be achieved by modifying Order point 8 as follows (proposed additions in blue):

8. Minnesota Power, Otter Tail, and Xcel shall submit an annual compliance filing analyzing the potential options for seasonal dispatch generally, and potential options and strategies for utilizing “economic” commitments for specific coal-fired generating plants. The utilities shall include a specific explanation of barriers or limitations to each of these potential options, including but not limited to technical limits of the units and contract requirements (shared ownership, steam offtake contracts, minimum fuel supply requirements, etc.) as relevant, *and shall describe potential solutions to each barrier or limitation. The utilities shall provide an itemized list of planned or expected capital investments over the lifetime of each unit, and discuss whether there is an opportunity to defer or avoid the expense with modified operations. The utilities will submit this compliance filing on* March 1, 2020, and each year thereafter.

What is the appropriate timeline for comments and reply comments in this investigation?

Fresh Energy recommends a period of three months between the utilities’ March 1 filings and initial comments for stakeholders to complete their analysis. The compliance components in Order points 8, 9 and 10 are new, the volume of data may be significant, and parties may wish to do additional discovery before comment.

Given the nature of this proceeding, and that stakeholders will be responding to utility filings, we recommend including a deadline for response comments, in addition to initial and reply comments. Utilities would respond to initial comments from stakeholders in the reply phase, and stakeholders would comment in the response phase. We recommend that initial comments are due in early- to mid-June, with two weeks for reply comments, and an additional two weeks for response comments.

Fresh Energy appreciates the Commission's attention to this proceeding and the opportunity to provide comments on the process and scope of the investigation. Thank you for your consideration.

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