



**Minnesota Center for
Environmental Advocacy**

October 15, 2019

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place E., Suite 350
St. Paul, MN 55101

VIA eFiling

Re: *2020-2034 Upper Midwest Integrated Resource Plan*
Docket No. E002/RP-19-368

Dear Mr. Wolf,

In anticipation of the PUC's upcoming agenda meeting on October 17th, the Clean Energy Organizations (Clean Grid Alliance, Fresh Energy, Minnesota Center for Environmental Advocacy and the Union of Concerned Scientists, or CEOs) submit this letter detailing our views on revising the comment period schedule for this docket.

In their letter of October 8, 2019, Xcel Energy indicates that it could provide the supplemental IRP modeling (ordered in docket 18-702, the Mankato Energy Center acquisition petition) by December 6, 2019. It also indicated that the Company could also offer an additional supplemental filing in April 2020 to supplement the record with modeling done using the EnCompass capacity expansion model. That filing is "intended to be used as a benchmark against our strategist outcomes and further meant to be a transitional tool to develop capabilities, experience, and basis for discussion with stakeholders." To accommodate these filings, the Company requested an extension of the procedural schedule as the Commission sees fit.

The CEOs support extension of the procedural schedule. We would note at the outset that, given the outcome of the MEC acquisition docket, No. 18-702, we believe that abiding by the current November 8, 2019 deadline for initial comments would introduce substantial confusion into the record and impose an unbearable burden on commenters. The question, rather, is how far to extend the schedule to allow for supplemental modeling.

CEOs request that the initial comment period be extended to occur *after* all supplemental modeling that the Commission orders has been filed by the Company. The alternative would require commenters to prepare and submit two rounds of comments, for example, under Xcel's proposal there would be one response to the December 2019 supplemental modeling ordered in docket 18-702, and one response to the EnCompass modeling in April of 2020. Intervening in an integrated resource plan docket is an incredibly resource intensive activity for many intervenors, many of whom are nonprofit entities with limited budgets. The CEOs intend to retain and utilize the technical assistance

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of multiple consultants for this IRP, and requiring us to bear that cost for two comment periods and for a much longer calendar period would significantly impact our ability to provide input and technical record development in this docket.

Multiple comment periods would also introduce substantial confusion into the record, again impacting the ability of commenters and stakeholders to comment effectively. Bifurcating the comment period on this IRP into one round of comments based on Strategist modeling and one round based on EnCompass modeling, the results of which may or may not accord with one another, would produce a fragmented and disjointed record that significantly impedes the public's ability to understand and effectively participate in the process, in addition to imposing heavy resource burdens.

CEOs also believe, however, that the use of EnCompass would add substantially to the record development in this docket, and we therefore would support a commenting schedule that does not begin until all modeling is complete and filed. Because this schedule represents a substantial departure from the existing schedule, both in terms of process but also in terms of the substance, we believe an initial comment period of four months from the date that all modeling is completed and filed would be reasonable. This is no doubt a significant change, but one that CEOs believe will ultimately produce a much more coherent record to inform the Commission's decision on this important docket.

CEOs also offer this letter to respond in part to the briefing papers filed by PUC staff for the upcoming October 17th, 2019 agenda meeting. Those briefing papers noted that they are "not actually intended to focus strictly on completeness," but that staff's intention is to "discuss a few of the issues in Xcel's IRP that . . . might benefit from supplemental analysis." Accordingly, the decision options include options to require the Company to provide supplemental information and/or modeling on a host of IRP components, including the reliability requirement, the baseload study, the Sherco combined cycle gas plant, and others.

Many of these decision options concern items that the CEOs would typically address in their initial comments in an IRP docket, rather than in comments on completeness, but to the extent that the Commission may consider requesting supplemental modeling beyond that ordered in docket No. 18-702, CEOs offer the following input and perspectives.

CEOs are still undergoing their technical review of the IRP filings in this docket. We anticipate that our initial comments will address many of the decision options raised in the briefing papers – particularly the reliability requirement, the baseload study, the planned retirement dates for existing units, wind pricing, and demand side management. Because this review is ongoing, we are not prepared to offer firm recommendations regarding the need for supplemental information and/or modeling on these issues. We do believe, however, that supplemental modeling could be beneficial at this stage for record development as it pertains to the Sherco combined cycle gas plant's impact on Xcel's resource plan. Specifically, we recommend that the Commission direct the Company to include

as part of its modeling analysis scenarios that do not “hardwire” the Sherco CC, but instead include the Sherco CC as a resource option for the model to choose.

Although legislation passed in 2017 allows the Company to forego traditional determinations regarding the need for a Sherco combined cycle gas plant, CEOs believe that the construction of this gas plant should not be considered as a working assumption in the Company’s IRP. Although it does allow the Company to bypass otherwise-applicable determinations on need, the 2017 legislation also provides that “reasonable and prudently incurred costs and investments by a public utility under this section may be recovered pursuant to the provisions of Minnesota Statutes, section 216B.16.”¹ CEOs therefore believe that the Commission retains the authority, and indeed the obligation, to evaluate whether construction of a large combined cycle gas plant at the Sherco site is a reasonable and prudent investment of ratepayer resources. Because this analysis and Commission determination has yet to be done and plans for the Sherco CC and its pipeline expansion are not final, the Sherco CC should not be “hardwired” into all of the Company’s modeling.

If the Commission should take up staff’s suggestions to require supplemental modeling beyond that ordered in docket No. 18-702, CEOs therefore suggest supplemental modeling that does not presume a Sherco combined cycle gas plant, but rather allows the model to select it under reasonable scenarios. Doing so would streamline the record development in this docket.

Sincerely,

/s/ Kevin P. Lee

Kevin P. Lee
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¹ Laws of Minnesota 2017, chapter 5 – H.F. No. 113, section 1 (available at https://www.revisor.mn.gov/bills/text.php?number=HF113&version=2&session=ls90&session_year=2017&session_number=0&format=pdf).