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June 29, 2022

Will Seuffert

Executive Secretary

Minnesota Public Utilities Commission

121 7th Place East, Suite 350

St. Paul, MN 55101-2147

Re: Fond du Lac Band Comments, In the Matter of Minnesota Power's  
Application for Approval of its 2021-2035 Integrated Resource  
Plan, Docket No. E015/RP-21-33

Dear Mr. Seuffert:

The Fond du Lac Band of Lake Superior Chippewa is grateful for the opportunity to submit these comments regarding Minnesota Power's ("MP") Integrated Resource Plan ("IRP"). As a federally recognized Indian tribe located in MP's service area, the Fond du Lac Band has a vested interest in this IRP.

While Fond du Lac appreciates the IRP's direction toward decarbonization and cleaner energy, the Band still has several concerns regarding the IRP's environmental and health impacts. Accordingly, the Band is submitting this comment letter with several suggestions.

**Factors PUC Must Consider**

The PUC must consider the following criteria when evaluating resource plans:

[R]esource plans must be evaluated on their ability to: (A)  
maintain or improve the adequacy and reliability of utility

service; (B) keep the customers' bills and the utility's rates as low as practicable, given regulatory and other constraints; (C) minimize adverse socioeconomic effects and adverse effects upon the environment; (D) enhance the utility's ability to respond to changes in the financial, social, and technological factors affecting operations; and (E) limit the risk of adverse effects on the utility and its customers from financial, social, and technological factors that the utility cannot control.<sup>1</sup>

Furthermore, the resource plan must be "consistent with the public interest."<sup>2</sup>

### **Socioeconomic Effects and Health Disparities**

The Band's concerns are focused on factor C of Minn. R. 7843.0500, subp. 3. The Band urges the PUC to consider health disparities resulting from MP's IRP, which are manifestations of adverse socioeconomic and environmental effects.

According to a report conducted by PSE Healthy Energy on behalf of several Clean Energy Organizations,<sup>3</sup> MP's current operations have a particular impact on Native communities in northern Minnesota, including Fond du Lac. Although the IRP mitigates some of those health impacts, it raises other health issues that should be addressed.

The PSE Healthy Energy report analyzes the impacts of Boswell Energy Center, Hibbard Energy Center, Syl Laskin Energy Center, and Milton R. Young Power Plant (which MP purchases electricity from) and finds that "[f]or every plant analyzed, the health impacts per capita were highest for Native populations, and larger by a factor of two to three as compared to the population at large."<sup>4</sup> Hibbard, the facility closest to the Fond du Lac Reservation, has the greatest adverse health impacts of the plants that were analyzed.<sup>5</sup>

Combined, the report estimates these plants will cause 100 premature deaths over the course of the IRP (2021-2035) if the IRP is approved as is.<sup>6</sup> Moreover, the Clean Energy Organizations believe this is a "conservative" estimate because it is only calculated based on the impacts of fine particulate pollution and does not include impacts related to "VOCs, NO<sub>x</sub>, SO<sub>2</sub>, or ozone."<sup>7</sup> Nor does it include potential impacts from MP's planned Nemadji Trail Energy Center ("NTEC"),

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<sup>1</sup> Minn. R. 7843.0500, subp. 3.

<sup>2</sup> Minn. Stat. § 216B.2422, subd. 2(a).

<sup>3</sup> PSE Healthy Energy, *Incorporating Health and Equity Metrics into the Minnesota Power 2021 Integrated Resource Plan* (2022).

<sup>4</sup> *Id.* at 23

<sup>5</sup> Fresh Energy et al., *Clean Energy Organizations' Initial Comments* 72 (2022).

<sup>6</sup> *Id.* at 70–71.

<sup>7</sup> *Id.* at 71.

which could create poor air quality and is set to be constructed relatively close to the Fond du Lac Reservation.<sup>8</sup> Additional health impacts from these facilities “include exacerbated asthma, heart attacks, irregular heartbeat, [and] premature birth.”<sup>9</sup>

The PUC must consider these health disparities when assessing MP's IRP. In order to mitigate the health disparities that will be caused by the IRP, the Band makes additional suggestions below about the NTEC project, the future of the Boswell and Hibbard centers, and the use of non-wires solutions.

### **Discontinue NTEC Project**

The Band recommends PUC revoke approval of the NTEC project. As a new pollution-emitting energy source, NTEC is a risky investment, and the PUC should take this opportunity to stop MP's involvement in the project before construction begins.

NTEC directly implicates the health of Fond du Lac and should not be part of the IRP. NTEC will harm air quality and will be built near the Fond du Lac Reservation.<sup>10</sup> The negative health impacts will, therefore, significantly impact the Band.

Moreover, NTEC cuts against MP's movement toward cleaner energy generation. As the Office of Attorney General—Residential Utilities Division (OAG—RUD) notes, MP's NTEC plans do not align with state or federal environmental priorities, nor do these plans align with MP's own goals.<sup>11</sup> MP has a stated goal of being carbon free by 2050.<sup>12</sup> The Walz Administration is pushing for carbon free electricity statewide by 2040.<sup>13</sup> And finally, the Biden Administration is aiming for carbon free electricity nationwide even sooner by 2035.<sup>14</sup> OAG-RUD points out that MP “assumes a 40-year book life for NTEC, meaning its useful life would extend through 2064.”<sup>15</sup> This timeline is incompatible with the above goals and raises several problems:

Thus, building a plant with a 40-year lifespan in 2025 means that it will either 1) be shut down well before the end of its useful life, 2) require expensive upgrades that are not included in Minnesota Power's modeling, or 3) render the company

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<sup>8</sup> *Id.* at 76.

<sup>9</sup> *Id.* at 70.

<sup>10</sup> *Id.* at 76.

<sup>11</sup> Off. Att'y Gen.—Residential Utils. Div., *Comments of the Office of the Attorney General* 9 (2022).

<sup>12</sup> *Id.*

<sup>13</sup> *Id.*

<sup>14</sup> *Id.*

<sup>15</sup> *Id.* (citation omitted).

unable to meet the state and federal governments' stated goals, or even its own goals.<sup>16</sup>

Decarbonization efforts are critical in the fight against climate change. Furthermore, the effects of climate change disproportionately harm low-income communities and communities of color, including Native communities.

NTEC is also unnecessary. PUC approved NTEC based on MP's 2017 load forecast, which predicted higher demand than what has materialized.<sup>17</sup> If MP needs to procure energy to accommodate demand, it can do so in a more cost-effective manner by turning to renewables or purchasing energy from the market.<sup>18</sup> For example, "[t]he Company's levelized cost forecast for new solar generation is 8 to 14 percent lower than" when NTEC was approved, and battery storage costs fell an average of 58 percent from 2017 to 2021.<sup>19</sup>

#### **Provide Concrete Steps for Retirement of Boswell Unit 4**

BEC4, like the other pollution-creating sources, harms the health of Native populations.<sup>20</sup> While setting the goal to retire BEC4 is admirable, MP needs to make clear to the public what steps it is taking to ensure BEC4 can actually be retired. Making these plans now will hold the company accountable, give the company time to execute against its retirement goal, and ensure that the company has time to mitigate the impacts that the retirement will have on the host community and MP's overall reliability.

#### **Plan to Retire Hibbard**

According to the Clean Energy Organizations, Hibbard has the most significant detrimental health impacts of the plants they analyzed, particularly on Native communities and Fond du Lac.<sup>21</sup> Therefore, retiring and replacing Hibbard with cleaner energy generation would have the greatest impact on improving the health of Native communities in northern Minnesota. The IRP hardly mentions Hibbard. At a minimum, MP should detail its plans for the facility moving forward, so the public and Native communities understand the company's intentions and can respond accordingly.

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<sup>16</sup> *Id.*

<sup>17</sup> *Id.* at 2.

<sup>18</sup> *Id.* at 7–8.

<sup>19</sup> *Id.* at 6.

<sup>20</sup> PSE Healthy Energy, *Incorporating Health and Equity Metrics into the Minnesota Power 2021 Integrated Resource Plan* 23 (2022).

<sup>21</sup> Fresh Energy et al., *Clean Energy Organizations' Initial Comments* 72 (2022).

## Research Non-Wires Solutions

Fond du Lac joins the Citizens Utility Board of Minnesota (“CUB”) in urging MP to research the feasibility of implementing Non-Wires Solutions (“NWS”) in lieu of traditional distribution and transmission projects.<sup>22</sup> According to a 2018 report, an NWS or Non-Wires Alternative (“NWA”) is defined as:

[A]n electricity grid investment or project that uses non-traditional transmission and distribution (T&D) solutions, such as distributed generation (DG), energy storage, energy efficiency (EE), demand response (DR), and grid software and controls, to defer or replace the need for specific equipment upgrades, such as T&D lines or transformers, by reducing load at a substation or circuit level.<sup>23</sup>

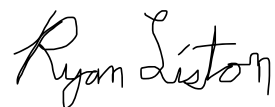
Broadly, the report found that implementing NWS “help[ed] to delay or permanently defer infrastructure upgrades,” offered flexibility in addressing “load growth uncertainty,” and saved costs compared to traditional infrastructure (like transmission lines).<sup>24</sup>

MP should implement NWS whenever feasible and should include NWS in its IRP. This would help the company continue to reduce its environmental footprint and could address concerns regarding the reliability of renewable energy sources. For example, if energy storage options can be developed, this could mitigate some of the reliability concerns with wind and solar being intermittent resources. This would also help reduce environmental and human harm from traditional energy sources.

## Conclusion

Fond du Lac appreciates the IRP's direction toward cleaner energy but believes there are areas for improvement, particularly when considering the health of Native communities. By implementing these recommendations, MP can maintain its reliability while leading the way to a clean, healthy energy future.

Respectfully submitted,



Ryan Liston  
Law Clerk

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<sup>22</sup> Citizens Util. Bd. Minn., *Comments of the Citizens Utility Board of Minnesota* 20 (2022)

<sup>23</sup> E4TheFuture et al, *Non-Wires Alternatives, Case Studies from Leading U.S. Projects* 11 (2018) (citation omitted).

<sup>24</sup> *Id.* at 9.