



AN ALLETE COMPANY

PUBLIC DOCUMENT  
NON-PUBLIC DATA EXCISED

30 West Superior Street  
Duluth, MN 55802-2093  
[www.mnpower.com](http://www.mnpower.com)



May 27, 2022

**VIA E-FILING**

Will Seuffert  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, MN 55101-2147

Re: In the Matter of an Investigation into Self-Commitment and Self-Scheduling of  
Large Baseload Generation Facilities  
**Docket No. E999/CI-19-704**  
**Reply Comments**

Dear Mr. Seuffert:

Minnesota Power respectfully submits Reply Comments in response to the comments submitted on May 2, 2022, by the Minnesota Department of Commerce, Division of Energy Resources, and Fresh Energy in the above referenced Docket.

Please contact me at (218) 355-3455 or [hcreurer@allete.com](mailto:hcreurer@allete.com) if you have any questions regarding this filing.

Kind Regards,

A handwritten signature in black ink that reads 'Hillary A. Creurer'.

Hillary A. Creurer  
*Regulatory Compliance Administrator*

HAC:th  
Attach.

I AM  
**ZERO INJURY.**

*Together we choose to work safely for our families, each other, and the public.  
We commit to be injury-free through continuous learning and improvement.*

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

---

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

Docket No. E999/CI-19-704  
**MINNESOTA POWER'S  
REPLY COMMENTS**

---

**I. INTRODUCTION**

Minnesota Power (or the “Company”) submits these Reply Comments in response to the Minnesota Department of Commerce – Division of Energy Resources (“Department”) and Fresh Energy who filed Comments on May 2, 2022 (“May Comments”) in the above-referenced Docket.

**II. RESPONSE TO COMMENTS**

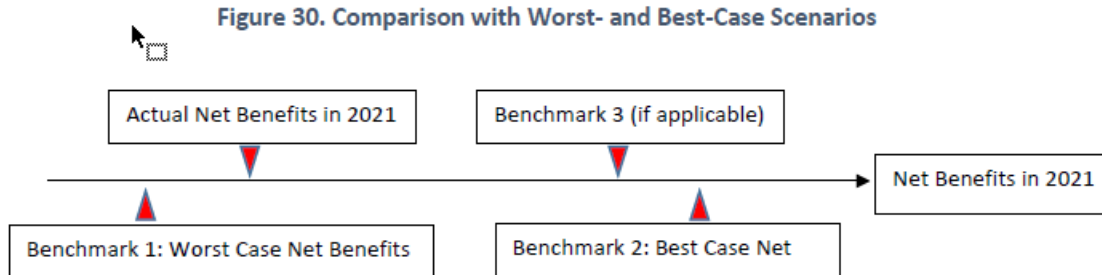
In the Department’s comments they requested Minnesota Power provide a best- and worst-case scenario analysis for Boswell Unit 3. Minnesota Power’s initial filing did not include a best- and worst-case scenario for Boswell Unit 3 since the analysis is forward-looking and the Company transitioned Boswell Unit 3 to economic dispatch in July 2021, and does not plan to transition Boswell Unit 3 back to a must run operational dispatch model.

However, to provide the benchmark bookends of the best- and worst-case scenarios for Boswell Unit 3, Minnesota Power completed the analysis which is included in Attachment 1. The two operational scenarios analyzed for Boswell Unit 3 included a worst-case where Boswell Unit 3 was set to must run all year and a best-case scenario where the unit was set to economically dispatch during the full year.

Based on current forecasted market prices for 2022 and 2023, the production cost model does not show a significant difference between must run and economic dispatch. However, for 2024, the production cost model is showing economic dispatch will have an additional benefit of approximately [TRADE SECRET DATA BEGINS XXXXXXXXXX TRADE SECRET DATA ENDS].

The Department also requested the utilities provide a graph similar to Figure 30, shown below from their May Comments.

### Department's Figure 30



As stated above, Minnesota Power's best- and worst-case analysis is forward looking and does not align with the graph as provided for 2021 data. In addition, due to market pricing in 2021, there was a high demand for both of the Boswell Units; therefore, even though Boswell Unit 3 transitioned to economic dispatch, there was no significant difference from a must run operation. The forward looking analysis also indicates that, at least for 2022 and 2023, a must run dispatch is anticipated to provide the same net benefit as economic dispatch.

## III. FUTURE REPORTING RECOMMENDATIONS

### ***A. Avoided Carbon Dioxide Emissions***

Minnesota Power is supportive of providing the avoided carbon dioxide emissions due to economic commitment based on the Department's recommended methodology.

### ***B. Lost Revenue Due To Economic Commitment***

In the Department's comments it recommends the utilities include additional analysis to point out instances when greater economic commitment led to lost revenue. This recommendation is based off analysis Xcel provided in their filing and it appears that Xcel was comparing seasonal dispatch as its base case to economic dispatch and must run.

Based on Boswell Units 3 and 4 being utilized in the Planning Resource Auction and the FRAP, the Company would not be able to commit to operating these units on a

seasonal basis. Therefore, Minnesota Power does not think additional analysis is necessary based on the fact that a comparison of must run and economic dispatch are already provided in this docket. However, if the Commission deems it necessary to provide addition analysis, Minnesota Power would request the calculation for the added analysis be defined.

***C. Standardized Tracking Template***

Minnesota Power does not agree with the Department's recommendation to create a new reporting template to track Electric Force Outage Rate ("EFOR") and plant start conditions (i.e. hot, warm and cold). Minnesota Power already provides the plant start conditions in an hourly template and is willing to include an additional tab with the monthly EFOR.

***D. Monthly Curtailment Information***

Minnesota Power supports the Department's recommendation to include the energy (MWh) produced and curtailed from owned and contracted wind facilities on a monthly basis for each facility in subsequent filings. However, as noted in the Department's comments, this information is already provided to the Commission as part of Minnesota Power's Automatic Adjustment True-up Report of the Forecasted Fuel and Purchase Energy Rates filed annually on March 1.

Dated: May 27, 2022

Respectfully Submitted,



Hillary A. Creurer

**PUBLIC DOCUMENT  
TRADE SECRET DATA EXCISED  
IN ITS ENTIRETY**

STATE OF MINNESOTA    )  
                                  ) ss  
COUNTY OF ST. LOUIS    )

AFFIDAVIT OF SERVICE VIA  
ELECTRONIC FILING

-----

Tiana Heger of the City of Duluth, County of St. Louis, State of Minnesota, says that on the 27<sup>th</sup> day of May, 2022, she served Minnesota Power’s Reply Comments in **Docket No. E999/CI-19-704** on the Minnesota Public Utilities Commission and the Energy Resources Division of the Minnesota Department of Commerce via electronic filing. The persons on E-Docket’s Official Service List for this Docket were served as requested.



\_\_\_\_\_  
Tiana Heger