

January 19, 2024

Via Electronic Filing

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


RE: Initial Comments
In the Matter of an Investigation into Implementing Changes to the Renewable Energy
Standard and the Newly Created Carbon Free Standard under Minn. Stat. § 216B.1691
Docket No. E-999CI-23-151

Dear Mr. Seuffert,

The Southern Minnesota Municipal Power Agency (SMMPA) submits the following initial comments in response to the Public Utilities Commission December 10, 2023 notice of comment.

SMMPA's comments have been electronically filed with the Minnesota Public Utilities Commission in docket no. E-999CI-23-151. Please contact me at 507-292-6427 or ja.hoffman@smmpa.org with any questions.

Sincerely,



Joseph A. Hoffman
Chief External Affairs Officer

Enc. Initial Comments of SMMPA

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Hwikwon Ham	Commissioner
Valerie Means	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

In the Matter of an Investigation into
Implementing Changes to the Renewable
Energy Standard and the Newly Created Carbon
Free Standard under Minn. Stat. § 216B.1691

Docket No. E-999CI-23-151
Initial Comments of
Southern Minnesota Municipal
Power Agency

INTRODUCTION

Southern Minnesota Municipal Power Agency (SMMPA) offers these initial comments in response to the Public Utilities Commission December 10, 2023 notice of comment.

SMMPA is a not-for-profit joint-action agency (municipal power agency) that provides wholesale energy, transmission service, and other energy-related services to 17 municipally-owned utilities located across the State of Minnesota.

COMMENTS

1. Whether and how municipal power agencies are subject to reporting under Section 216B.1691 as an “Electric Utility.”

a. Should the Commission require each municipal power agency to identify which of its members’ electric sales are reported by another entity, which entity is reporting for each member, and the percentage of the member’s sales reported by that entity.

Within the industry, SMMPA is described as an “all-requirements” power agency, where members are contractually obligated to receive all of their power supply from the Agency. However, there are several exceptions to the “all-requirements” provision of the power sales contract between SMMPA and its members. These exceptions may make it difficult or impossible for SMMPA to report on a member’s non-SMMPA electric sales.

Exception 1: Three SMMPA members (Fairmont, Redwood Falls, Litchfield) receive a portion of their power supply from a WAPA (Western Area Power Administration) allocation. Those members receive their allocations directly from WAPA, and the power and energy that SMMPA provides to those members is supplemental to their WAPA allocations. In addition to receiving energy from WAPA, these members may also receive the associated RECs. SMMPA is willing to assist these members with the tracking and retirement of their WAPA RECs to ensure compliance with the carbon-free standard.

Exception 2: The SMMPA power sales contract allows members to establish a contract rate of delivery (CROD) under certain conditions. When a member elects to establish a CROD, a capacity ceiling for that member is effectively created. Any time that member’s load exceeds the CROD capacity ceiling, it is the

responsibility of the member to secure the capacity and related energy required to serve the above-CROD load. The member is not obligated to provide the Agency with the details of how they serve their above-CROD load.

Exception 3: SMMPA members are permitted under their power sales agreement with the Agency to utilize the power and energy generated by any qualifying small hydroelectric facility less than 5 MW. The power and energy that SMMPA provides to those members is supplemental to any power and energy produced by those small hydroelectric facilities. SMMPA currently has two members with qualifying small hydroelectric facilities.

Conclusion: When a SMMPA member receives a WAPA allocation, or has elected a CROD, or has a small hydroelectric facility, there is a portion of that member's power supply that is not the responsibility of the Agency. The SMMPA members have no contractual obligation to provide the details of their third-party power supply arrangements to SMMPA other than for certain metering arrangements, therefore SMMPA cannot guarantee that it would be able to accurately report the details of those non-SMMPA arrangements necessary for compliance with the new law. Without these details, SMMPA would not be able to report which of its members' electric sales are reported by another entity, which entity is reporting for each member, and the percentage of the member's sales reported by that entity.

b. Should the Commission require each municipal power agency to identify any member's retail power sales that are not reported for purposes of Minn. Stat. § 216B.1691?

Similarly to SMMPA's response to topic 1(a), SMMPA may not be in a position to accurately report on the portion of a member's retail power sales that is served by energy that is provided by an entity other than SMMPA.

c. Should the Commission require each municipal power agency to make a compliance filing identifying a point of contact (name, address, contact information) for purposes of enforcing compliance with Minn. Stat. § 216B.1691?

SMMPA has no comments on topic 1 (c).

d. Are there other matters associated with municipal power agencies that should be reported to the Commission in connection with Minn. Stat. § 216B.1691?

SMMPA has no comments on topic 1 (d).

2. Should the Commission require that any entity that intends to report on behalf of one or more electric utilities newly subject to Section 216B.1691, displayed in Table 1 below, identify:

a. The electric utilities they intend to report on behalf of; and

SMMPA has no comments on topic 2 (a).

b. The portion of each electric utilities' total retail electric sales covered by the report?

(Ex. If a public utility supplies a distribution utility with 100% of the energy they consume in a year, the public utility would name the distribution utility they are reporting for, and state that 100% of the distribution utility's energy sales will be covered by its report.)

SMMPA has no comments on topic 2 (b).

3. Please identify any distribution cooperatives that serve fewer than 50 Minnesota customers (such as those located near the state's border), that have not been included in the list of Electric Utilities displayed in Table 1 below who are included in the definition of "electric utility" in Section 216B.1691. Does the Commission have any authority to modify these utilities' obligation to comply with Section 216B.1691? If so, how should the obligations be modified?

SMMPA has no comments on topic 3.

4. Are there any other issues helpful to the Commission's implementation of Minn. Stat. § 216B.1691?

SMMPA has no comments on topic 4.