

January 19, 2024

Via Electronic Filing

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

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-999/CI-23-151

Dear Mr. Seuffert:

Missouri Basin Municipal Power Agency, doing business as Missouri River Energy Services,
submits our Initial Comments in response to the Commission's December 20, 2023, Notice of
Comment Period in the above-referenced docket.

Please contact me at 605-330-4890 or derek.bertsch@mrenergy.com if you have any questions
regarding this filing.

Sincerely,

/s/ *Derek Bertsch*

Derek Bertsch
Regulatory and Contracts Counsel

Enc. Initial Comments of Missouri River Energy Services
Cc: Service List

STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION

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

Chair
Vice-Chair
Commissioner
Commissioner
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-999/CI-23-151

INITIAL COMMENTS OF
MISSOURI RIVER ENERGY SERVICES

INTRODUCTION

Missouri Basin Municipal Power Agency d/b/a Missouri River Energy Services (“MRES”) offers these initial comments in response to the Notice of Comment Period issued by the Minnesota Public Utilities Commission (“Commission”) on December 20, 2023.

MRES is a not-for-profit municipal power agency (“MPA”) that provides power supply, transmission service, and related energy services to 61 municipal electric utilities in four states, including 25 municipal utilities in Minnesota.¹ MRES, on behalf of itself and its member communities, offers the following comments in response to the topics open for comment identified in the Commission's Notice.

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?

MRES believes every MPA that provides electric service in Minnesota is subject to reporting under Minn. Stat. § 216B.1691 as an “Electric Utility.” It is reasonable to require MPAs with reporting obligations to identify in their annual compliance reports any member of the MPA in Minnesota receiving electric service from other power suppliers and provide the

¹ The Minnesota members of MRES are the municipal electric utilities of Adrian, Alexandria, Barnesville, Benson, Breckenridge, Detroit Lakes, Elbow Lake, Henning, Hutchinson, Jackson, Lakefield, Lake Park, Luverne, Madison, Marshall, Melrose, Moorhead, Ortonville, Saint James, Sauk Centre, Staples, Wadena, Westbrook, Willmar and Worthington.

name of the entity reporting such power sales, if known. For those MPAs that do not sell power to their members, such information could be provided in a separate filing to the Commission.

Detailed information on other reporting entities and the amount and percentage of a member's electric sales to be reported by such entities may not be readily available to the MPA. For example, 2 of the 25 Minnesota members of MRES purchase power from sources other than MRES and the Western Area Power Administration ("WAPA").² Because MRES does not collect payments for power and energy purchased by its members from other wholesale power suppliers (except for WAPA³), information on the sales to members from other power suppliers during the compliance period and the appropriate entity to report such sales under Minn. Stat. § 216B.1691 may not be readily available to MRES by the June 1 deadline for reporting compliance with the standards.⁴

MRES respectfully requests the Commission limit any requirement for an MPA to provide information on wholesale sales to its members from other power suppliers to information that is reasonably available to the MPA by the annual reporting deadline. MRES also requests that, if a reporting requirement is placed upon MPAs as described above, that it be made clear that the MPA is obligated only to report certain information with respect to such a member and is not subject to a compliance obligation regarding that member.

- 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?

An MPA may not have readily available information on the member's retail power sales not being reported by the MPA for compliance with Minn. Stat. § 216B.1691 if the MPA does not provide billing or scheduling services for all energy delivered to the member. MRES respectfully requests the Commission limit any requirement for an MPA to provide such information to information that is reasonably available to the MPA by the annual reporting deadline.

² The Power Sale Agreement (S-1) with the City of Willmar, Minnesota is supplemental to power supply provided by WAPA and certain other power supply agreements. Beginning in March 2033, the power supply sold by MRES to Willmar will be all power supply supplemental to WAPA. The Power Sale Agreement (non-S-1) with the City of Hutchinson, Minnesota is for a fixed amount of power and energy from MRES, with Hutchinson obtaining the rest of its power and energy requirements from other sources.

³ MRES members with WAPA allocations have entered into an administrative services agreement with MRES and WAPA which provides that MRES will provide billing and scheduling services for all deliveries of power and energy to the member under its existing contract with WAPA.

⁴ Information on wholesale sales from other power suppliers may be available from the member's Electric Utility Information Annual Report to be filed by July 1 of each year pursuant to Minnesota Rules Chapter 7610. All electric utilities authorized to do business in Minnesota are required to include a listing of the purchases the utility had with other utilities in the annual data report. The most recent Electric Utility Information Annual Reports were filed in Docket No. E-999/PR-23-11.

- 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?

MPAs with reporting obligations identify a point of contact for the MPA in their annual compliance reports under Minn. Stat. § 216B.1691. For those MPAs that do not have reasonable access to information on a member's retail power sales not being reported by the MPA for compliance with Minn. Stat. § 216B.1691, MRES believes it is reasonable to require the MPA to identify a point of contact (name, address, contact information) for the member in the MPA's annual compliance filing or in a separate filing to the Commission.

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

MRES believes its indirect sales to the City of Brewster, Minnesota should be reported separately on MRES' annual compliance report from the direct sales of MRES to its members used to calculate MRES' total retail electric sales under Minn. Stat. § 216B.1691. Brewster was added to the list of electric utilities subject to Minn. Stat. § 216B.1691. Brewster is not a member of MRES. The cities of Worthington and Brewster, Minnesota have a power supply agreement under which Worthington sells and delivers to Brewster all of the energy which Brewster requires. Worthington is a member of MRES. MRES believes the retirement by MRES of renewable energy certificates on behalf of Worthington for compliance with Minn. Stat. § 216B.1691 also satisfies compliance for Brewster. In other words, the sales by Worthington to Brewster should be excluded from the calculation of MRES' total retail electric sales. Otherwise, the utilities would be double counting energy sales if they count energy supplied by MRES to Worthington, and then also count the energy supplied by Worthington to Brewster.

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
 - 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.)

MRES believes it is reasonable to require an entity reporting under Minn. Stat. § 216B.1691 to identify the utility or utilities they are reporting on behalf of. The current reporting template developed by the Department of Commerce and Commission Staff includes fields to report this information.

As discussed above, an MPA reporting on behalf of a member may not have readily available information on the member's retail power sales not being reported by the MPA. As a

result, it may be difficult for some reporting entities to identify by the reporting deadline the percentage of the utility's energy sales covered by the entity's report. MRES respectfully requests the Commission limit any requirement for an entity to identify the portion of each electric utilities' total retail electric sales covered by the report to information that is reasonably available to the reporting entity by the annual reporting deadline.

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?

MRES does not have any information pertaining to this question.

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

MRES has no additional issues to bring to the Commission's attention at this time.

CONCLUSION

MRES appreciates the opportunity to submit these initial comments on behalf of itself and its municipal members, and we respectfully ask the Commission to consider these views in making any changes or clarifications to reporting requirements under Minn. Stat. § 216B.1691. We look forward to continued participation in this matter.

Dated: January 19, 2024

MISSOURI RIVER ENERGY SERVICES

/s/ *Derek Bertsch*

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