Northwestern Wisconsin Electric Company

Minnesota 2013 Renewable Energy Compliance

Minnesota PUC Docket 03-869 dated November 12th, 2008 allows Northwestern Wisconsin Electric to submit its Wisconsin renewable portfolio standard compliance data, as sent to the Wisconsin PSC, to satisfy its renewable compliance for its Minnesota obligation. That data is included as an attached .pdf file.

Northwestern Wisconsin Electric Company's 2013 Mwh sales to Minnesota retail customers (approximately 96) were 556 Mwh's.

NWE is required to provide 14.48% of sales as renewable. Attached is a summary of NWE's renewable generation purchases. NWE purchased all of its REC's from Renewable World Energy's local dams and REC purchases from other utilities.

We are a member of M-RETS and use the system for our REC and RRC inventory accounting. I have also attached .pdf document that was sent to the WI PSC for compliance.

John J. Richards Northwestern Wisconsin Electric 104 S. Pine St. Grantsburg, WI 54840 Ph. 715-463-5371

Northwestern Wisconsin Electric Company 2013 Renewable Portfolio Standard Filing Public Service Commission of Wisconsin Docket 5-GF-243

- 1. 3. See Spreadsheet
- 4. Describe the electric provider's 2013WI RPS compliance activities.
- a. Provide information regarding the M-RETS Certificates and RRCs used for 2013 WI RPS compliance, including the identity of the individual facilities associated with and the vintage of the M-RETS Certificates and RRCS. Please identify the name(s) of the M-RETS Subaccount(s) used by the electric provider for 2013 WI RPS compliance.

The M-RETS account holder is Northwestern Wisconsin Electric.

The Retirement Sub account is Northwestern Wisconsin Electric #2419

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1,590 REC's retired from Black Brook Hydro M-RETS ID M205 2013 generation
  205-WI-05-2013-31952-1 to 296
  205-WI-06-2013-31953-1 to 202
  205-WI-07-2013-31954-1 to 74
  205-WI-08-2013-31955-1 to 54
  205-WI-09-2013-31956-1 to 53
  205-WI-10-2013-31957-1 to 118
  205-WI-11-2013-31958-1 to 92
  205-WI-01-2013-31948-1 to 102
  205-WI-12-2013-32011-1 to 81
  205-WI-02-2013-31949-1 to 95
  205-WI-03-2013-31950-1 to 115
  205-WI-04-2013-31951-1 to 308
2,748 REC's retired from Danbury Hydro M-RETS ID M206 2013 generation
  206-WI-04-2013-31962-1 to 359
  206-WI-03-2013-31961-1 to 179
  206-WI-02-2013-31960-1 to 144
  206-WI-12-2013-32012-1 to 175
  206-WI-01-2013-31959-1 to 160
  206-WI-05-2013-31963-1 to 357
  206-WI-06-2013-31964-1 to 365
  206-WI-07-2013-31965-1 to 167
  206-WI-08-2013-31966-1 to 146
  206-WI-09-2013-31967-1 to 169
  206-WI-10-2013-31968-1 to 272
 206-WI-11-2013-31969-1 to 255
4,479 REC's retired from Clam River Hydro M-RETS ID M202 2013 generation
  202-WI-12-2013-32009-1 to 282
  202-WI-07-2013-31931-1 to 267
  202-WI-08-2013-31932-1 to 235
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202-WI-09-2013-31933-1 to 266
202-WI-10-2013-31934-1 to 381
202-WI-11-2013-31935-1 to 373
202-WI-01-2013-31925-1 to 282
202-WI-02-2013-31926-1 to 246
202-WI-03-2013-31927-1 to 307
202-WI-04-2013-31928-1 to 603
202-WI-05-2013-31929-1 to 603
202-WI-06-2013-31930-1 to 634

2,676 REC's retired from Fenton Power Partners I (1) Wind M-RETS ID M355 2009 gen.
355-MN-01-2009-5197-29644 to 32319
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- 2,482 REC's retired from Crystal Lake Wind II M-RETS ID M498 2009 gen. 498-IA-12-2009-9139-23463 to 25944
- 9,107 REC's retired from FPL Energy Mower County Wind M-RETS ID M366 2010 gen. 366-MN-01-2010-9532-1 to 9107
- 1,117 REC's retired from FPL Energy Mower County Wind M-RETS ID M366 2011 gen. 366-MN-01-2011-14306-165 to 1281
- 169 REC's retired from Koda 1 Koda Energy Biomass M-RETS ID M534 2011 gen. 534-MN-01-2011-14186-26 to 194
- b. Provide information regarding the number of M-RETS Certificates and RRC's used for 2013 compliance from facilities located in Wisconsin, and the number of Certificates and RRC's used from facilities located outside Wisconsin.

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8,817 REC's from Wisconsin generation 15,551 REC's from Outside of Wisconsin (Inventory only).
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c. If any Certificates used for 2013 WI RPS compliance were created as the result of an M-RETS prior period adjustment, please identify these Certificates as well as the "begin" and "end" date of the actual generation associated with those Certificates.

None

- d. Did the electric provider buy or sell any RRC's during the 2013 WI RPS compliance period? (April 16th, 2013 through April 15th, 2014). If so, provide the approximate date, amount (MWh) bought or sold, and price (\$/MWh) for each transaction. Yes. On April 9th, 2014 NWE purchased 2,482 REC's for \$1.00 each..
- e. Did the electric provider use any Certificates or RRC's for 2013 WI RPS compliance that the electric provider also used to satisfy obligations to retail customers under a voluntary green pricing rate.

 No.

- f. Provide an explanation if the electric provider retired fewer Certificates in M-RETS than the amount required for 2013 RPS compliance.
- 5. Describe implementation plans for meeting the RPS requirements in 2014 and beyond.
- a. How many Certificates or RRCs does the electric provider have "banked" that are eligible for possible future WI RPS compliance?

When will these Certificates or RRCs cease to be eligible for use in compliance with the WI RPS?

How many of the electric provider's banked WI RPS eligible Certificates or RRCs does the electric provider intend to use for WI RPS compliance in the future?

b. Provide an annual forecast (2014-2020) of actual renewable energy (MWh) that will be generated or procured by the electric provider or aggregator, sold at retail to Wisconsin customers, and intended for use with the Wisconsin RPS. If the electric provider is also reporting on behalf of its Wisconsin wholesale customers, please note this and include it in your forecast

Using generation estimates from current Power Purchase Agreements, Northwestern Wisconsin Electric estimates that its annual MWh purchases of renewable energy will total approximately 34,000 MWh annually. 33,200 of this will be sold at retail to NWE customers. Approximately 800 MWh will be sold to Centuria Municipal Electric as part of a wholesale agreement.

c. What action, if any, has the electric provider taken since filing for 2012 compliance to change its renewable energy percentage?

Northwestern Wisconsin Electric has signed a Power Purchase Agreement to purchase renewable energy from a Minnesota wind project. This project commenced production in March of 2014.

d. What action does the electric provider intend to take in the future to increase its renewable energy percentage by 6 percent over its baseline to the amount required in 2015 and beyond? How does the electric provider plan to address any need for additional renewable energy due to future load growth for years beyond 2015?

The PPA's NWE currently has in place, assuming renewal of those that expire, should address the RPS needs based on current retail sales. RPS needs based on future load growth or a generation deficit would be addressed by purchasing REC's or renewable energy via an additional PPA.

e. What role does purchasing or selling RRCs play in the electric provider's WI RPS compliance implementation plan? Are there any barriers to the purchase or sale of RRCs that the Commission or others should address?

NWE has purchased RRC's to address its RPS requirements in the past and will continue to do so as needed.

f. If the electric provider has already acquired, or soon will acquire, sufficient resources to meet and sustain its 2015 renewable requirements, does the electric provider have any plans to voluntarily increase its renewable resource portfolio beyond what is required by the WI RPS? If so, describe the general plans as well as any factors (such as pending Environmental Protection Agency regulations, potential greenhouse gas regulations, cost-competitiveness, and/or customer demand) driving the electric provider to acquire renewable resources beyond that which is required by the WI RPS.

Northwestern Wisconsin Electric is not currently planning to voluntarily increase its renewable energy portfolio.

- g. What effect, if any, would extending the deadline for the electric provider to increase its renewable energy percentage by 6 percent over its baseline from 2015 to 2016, 2017 or 2018, have on the electric provider's WI RPS compliance implementation plan?

 None.
- h. What other state RPS or similar requirements is the electric provider subject to outside of Wisconsin? What effect do these requirements have on the electric provider's WI RPS compliance implementation plan?

Northwestern Wisconsin Electric is subject to the MN renewable energy requirement (serves approximately 100 customers in MN). This requirement does not affect our WI RPS plans.

i. How does regional transmission planning and local interconnection of renewable facilities affect the electric provider's renewable resource planning process? To what extent do transmission and interconnection costs and processes affect the electric provider's renewable resource portfolio?

All costs associated with securing a firm transmission path greatly contribute to the economics associated with any purchase from a renewable generating facility. These costs are somewhat mitigated if the generation were simply allowed to be delivered into the MISO system, rather than be delivered directly to the WI purchaser via firm transmission.

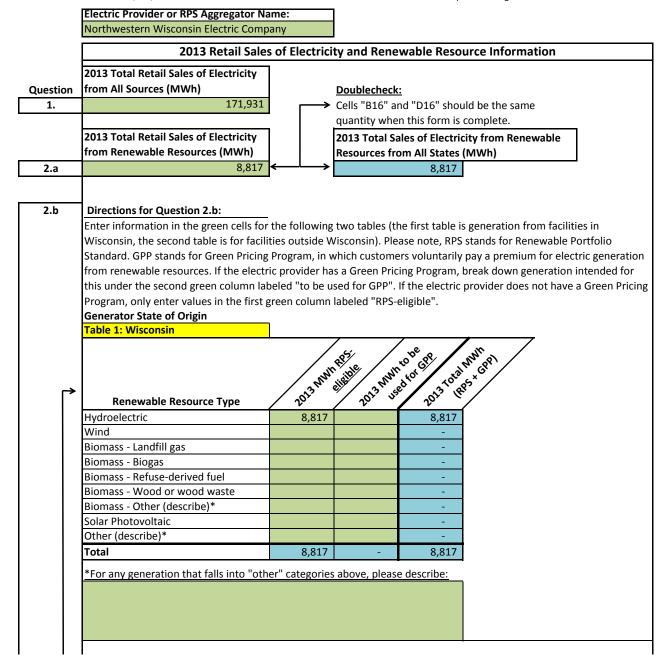
j. What other factors have influenced the electric provider's compliance implementation planning process? None at this time.

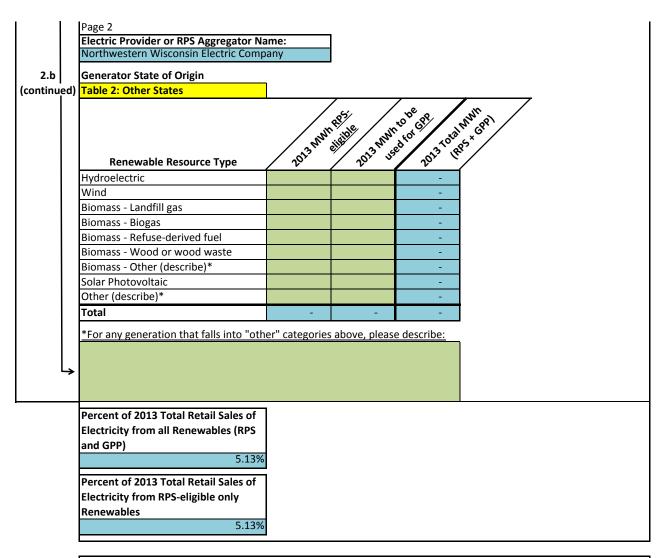
Information for Questions 1-3 of the 2013 RPS Compliance Report for the PSC

After filling out, upload this spreadsheet to the ERF system along with a separate document for questions 4 and 5.

ONLY enter values in green cells; all other cells are locked. Blue cells will automatically calculate when green cells are filled out.

Questions 1, 2.a, and 2.b relate to retail sales in 2013. Question 3 relates to 2013 RPS compliance obligation.





	RPS Retirement Information		
	Historical Total Retail Sales of Electricity from All Sources (MWh)		
3. ▶	2010	167,027.000	
	2011	169,351.000	
	2012	168,469.000	
	3-Year Average	168,282.333	
	Enter Electric Provider's required Renewable Percentage for compliance year 2013. Example: For 5.25% simply enter 5.25, <u>not</u> .0525	14.48%	
	2013 Retirements needed (MWh):	24,367.28	
	2013 Retirements rounded to nearest MWh (this should be the same amount of credits retired in MRETS for 2013):	24,367	
-	Were any of the credits retired for 2013 RPS compliance also used for a Green Pricing Program? (sales of electricity in which customers pay a premium for renewable energy). Enter "yes" or "no" below. no If you entered "yes" for the question above, indicate how many MWh used for a Green Pricing Program were also retired for 2013 RPS compliance.		