MINNESOTA
PUBLIC UTILITIES COMMISSION

The Commission met on **Thursday November 10, 2022,** with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

**E-015/RP-21-33**
**In the Matter of Minnesota Power's 2021-2035 Integrated Resource Plan**

Commissioner Schuerger moved that the Commission:

1. Approve Minnesota Power's 2021 Plan with a modification to require Minnesota Power to procure cost-effective resources to meet its customer and renewable product needs between 2025 and 2030 by:

    a. Acquiring at least 300 MW and up to 400 MW of wind with at least 200 MW in service by 2026, as practicable.

    b. Acquiring up to 300 MW of regional/in-service territory or net-zero solar and implementing storage demonstration projects of at least 100 MWh and up to 500 MWh by 2026, as practicable.

    c. Working with organized labor and other interested stakeholders to maximize socioeconomic benefits to customers and host communities by prioritizing utility investment in its service territory, use of local labor for construction and permanent staffing, and development of apprenticeship pathways when procuring new energy resources.

    d. Engaging early in the project development process with city officials for input and collaboration on issues involving projects located in or adjacent to existing host communities; this must include input and collaboration on siting to ensure that projects effectively support the community's own transition plans. e. Working collaboratively with large power customers and large light and power customers to pursue at least 50 MW of additional long-term demand response to address future resource adequacy changes.

    e. Filing, in its next resource plan, a service quality study of its next preferred plan and thoroughly demonstrate how system reliability and resource adequacy will be maintained as it transitions to more intermittent generating resources.

2. Minnesota Power must cease coal operations at Boswell Unit 3 at the latest by December 31, 2029, and Boswell Unit 4 by 2035. Capacity and energy replacement options including transmission solutions for both units will be evaluated during the next resource plan. MISO long range transmission planning and associated processes must be incorporated. These are subject to the following:

a. In its next IRP, Minnesota Power must continue to evaluate additional transmission system reliability mitigations needed to maintain the option of retiring the Boswell facility entirely, including unit 4, by no later than 2030.

b. Through annual updates and in the next IRP, Minnesota Power must also specifically evaluate converting Boswell 3 to a synchronous condenser upon retirement.

c. Through annual updates and in the next IRP, Minnesota Power must describe work done to date and work yet to be completed, provide a schedule of expected 14 milestones, and estimate the earliest date for completion of the transmission system reliability mitigations.

d. All retirement scenarios at Boswell must also include a comprehensive analysis of reliability, customer rate implications, any proposal or Commission decision with respect to NTEC capacity, worker transition, and socioeconomic impacts, including projected impacts on the local tax base for the City of Cohasset and Itasca County.

3. Minnesota Power must file amended affiliated interest agreements and updated capacity dedication amounts as part of the next resource plan or sooner, and parties may analyze whether that amount of NTEC capacity is in the public and ratepayer interest.

4. Minnesota Power must use a bidding process for its future resource acquisitions for the projects in the IRP, as follows:

a. Ensure that the RFP is consistent with the Commission's then-most-recent IRP order and direction regarding size, type, and timing unless changed circumstances dictate otherwise.

b. Provide the Department and other stakeholders with notice of RFP issuances.

c. Notify the Department and other stakeholders of material deviations from initial timelines.

d. Update the Commission, the Department, and other stakeholders regarding changes in the timing or need that occur between IRP proceedings.

e. In instances where Minnesota Power or an affiliate proposes a project, engage an independent evaluator to oversee the bid process and provide a report for the Commission.

f. Request that the independent evaluator, if engaged, specifically address the impact of material delays or changes of circumstances on the bid process.

g. Any RFP issued by Minnesota Power must include the option for both PPA and BOT proposals unless the Company can demonstrate why either a PPA or BOT proposal is not feasible.

h. Require Minnesota Power to notify the Commission of a detailed net book value offered by Minnesota Power in a future rate recovery proceeding.

i. Within 30 days of developing an RFP, require Minnesota Power to file a compliance filing detailing the RFP process and to include a template of the RFP.

5. Minnesota Power must file its next IRP by March 1, 2025.

6. In developing its next resource plan, Minnesota Power must consult with stakeholders, including but not limited to parties to the current proceeding, to develop an analysis that will inform its next IRP on the following topics:

    a. Implications of the Inflation Reduction Act on renewable energy projects.

    b. Efforts to access applicable federal Infrastructure Investment and Jobs Act funding.

    c. MISO's Long Range Transmission Planning process.

    d. MISO's Seasonal Adequacy Construct changes.

    e. An update on regional economic development activities in support of host communities.

7. In developing the modeling analysis to be used in its next resource plan, Minnesota Power must consult with stakeholders, including but not limited to the Department of Commerce, Office of the Attorney General, Large Power Intervenors and the Clean Energy Organizations, regarding the Company's modeling inputs and parameters.

8. In its next resource plan, Minnesota Power must include a summary of the modeling stakeholder group discussions, including potential modeling constraints and how Minnesota Power could consider modeling solar-powered generators connected to the Company's distribution grid as a resource.

9. In its next Integrated Distribution Plan (IDP), Minnesota Power must provide information on how it could implement the following steps to better align distribution and resource planning:

    a. Set the forecasts for distributed energy resources consistently in its resource plan and its IDP. b. Conduct advanced forecasting to better project the levels of distributed energy resource deployment at a feeder level.

    b. Proactively plan investments in hosting capacity and other necessary system capacity to allow distributed generation and electric vehicle additions consistent with the forecast for distributed energy resources.

    c. Improve non-wires alternatives analysis, including market solicitations for deferral opportunities to make sure Minnesota Power can take advantage of distributed energy resources to address discrete distribution system costs.

    d. Plan for aggregated distributed energy resources to provide system value including energy/capacity during peak hours.

10. In its next resource plan, Minnesota Power must account for local clean energy goals, in aggregate, in forecasting and modeling. In particular, the plan should include consideration of local community generation goals for distributed generation.

11. In its next resource plan, Minnesota Power must work with stakeholders, including but not limited to parties to the current proceeding, to include a stakeholder report, consistent with the following:

    a. Minnesota Power will work to intentionally include stakeholders from groups historically not present in these regulatory processes, like low-income customers and customers from BIPOC (black, indigenous, and communities of color) communities.

    b. Stakeholders will provide input on a societal cost benefit analysis of Boswell Unit 4 and Hibbard Renewable Energy Center, considering impacts on host communities, workforce, economics, health, system reliability, the environment, and customer costs.

    c. An analysis of the near-term steps needed to ensure Minnesota Power meets clean energy goals set in Minnesota state statute.

12. In any proposal for a new customer programs or services that does not have an existing evaluation framework, Minnesota Power must include an evaluation of whether the customer program or service meets the following criteria:

    a. Provides significant utility system benefits.

    b. Is consistent with approved resource plans, approved natural gas distribution infrastructure or pipeline safety plans, triennial conservation plans, and existing Commission orders.

    c. Reduces carbon or other pollutant emissions in the power sector or across economic sectors. d. Increases access to conservation, electrification, and clean energy resources for Minnesotans. e. Uses woman, veteran, or minority owned businesses as much as possible.

    d. Considers equity and equitable access in program design.

13. Minnesota Power must file the results from its consultant led non-wires alternative study in the next IDP docket. In next IDP, Minnesota Power will begin a discussion on how to integrate NWS into all the company's planning practices, including its next IRP and IDP.

14. Within 180 days of the EPA's issuance of its final order, and after appeals, Minnesota Power must file a compliance filing that demonstrates the utility's understanding of EPA's final Federal Implementation Plan (FIP) and an action plan in response to the final FIP.

15. At least 30 days after MISO publishes the accredited capacity values, Minnesota Power must make a compliance filing notifying the Commission of the Company's final capacity position at least 30 days after MISO publishes the accredited capacity values.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

**APPROVED BY THE COMMISSION: February 22, 2023**

**Will Seuffert, Executive Secretary**