

The Commission met on **Thursday, June 9, 2016**, with Chair Heydinger and Commissioners Lange, Lipschultz, Tuma, and Schuerger present.

The following matters were taken up by the Commission:

TELECOMMUNICATIONS AGENDA

P-523, 430/IC-16-351

In the Matter of an Application to Adopt an Interconnection Agreement and to Approve an Amendment to that Interconnection Agreement by Federated Telephone Cooperative and Embarq Minnesota, Inc. d/b/a CenturyLink

Commissioner Lipschultz moved to take the following actions:

- Reject the adoption request of Federated Telephone Cooperative and Embarq Minnesota, Inc. d/b/a CenturyLink (the carriers) as unnecessary given the Commission's prior approval of the adoption request in *In the Matter of the Adoption of an Interconnection Agreement by Federated Telephone Cooperative pursuant to Section 252(i)*, Docket No. P-430, 523, 5561/IC-16-94, Order Approving Adoption of Interconnection Agreements (April 12, 2016).
- Approve the amendments sought in the carriers' two petitions as meeting the standards set forth in 47 U.S.C. § 252(e) of the federal Telecommunications Act of 1996.

The motion passed 5–0.

P-999/CI-16-302

In the Matter of the Annual Telephone Assistance Plan Review

Commissioner Tuma moved that the Commission:

- Maintain the present TAP credit and surcharge; and
- Defer further action until after requested comments regarding the FCC's Lifeline Program Modernization Order are received and assessed.

The motion passed 5-0.

G-002/M-16-347

In the Matter of Northern States Power Company's Request for a Variance to the Billing Error Rules

Commissioner Schuerger moved to approve Xcel's request for a variance to Minnesota Rules, parts 7820.3800 and 7820.4000 and a one-time modification to its Electric and Natural Gas

Billing Error Tariff requirements for the purposes of providing the proposed refunds to Customers A and B.

The motion passed 5–0.

E-999/PR-16-09

In the Matter of Cogeneration and Small Power Production Tariff Filings

E-121/CG-16-240

In the Matter of a Request for Dispute Resolution by Keith Weber, the Qualifying Facility, with Meeker Cooperative Light and Power Association Under the Cogeneration and Small Power Production Statute, Minn. Stat. § 216B.164

E-124/CG-16-241

In the Matter of a Complaint of Larry Fagen Against Minnesota Valley Cooperative Light & Power Association

Commissioner Schuerger moved to take the following actions:

- Find the Commission has jurisdiction to interpret the provisions of Minn. Stat. 216B.164, subd. 3, to investigate whether the methodology used to develop fees proposed to be implemented under that statutory provision comply with statutory requirements, to determine whether the specific fees proposed are reasonable and appropriate, and to make other necessary determinations to assure compliance with the statute.
- Open a generic investigation into the appropriate methodology or methodologies for establishing electric cooperative DG fees and to review and determine whether the specific fees charged or filed by the electric cooperative associations comply with the requirements of Minn. Stat. § 216B.164.
- Delegate to the Executive Secretary the authority to issue notices and establish procedures for the investigation.
- Find that cogeneration and small power production tariffs must be filed with, and reviewed and approved by, the Commission before becoming effective, as provided for in Minn. Rules, Part 7835.0300.

The motion passed 5–0.

Commissioner Lange moved to find that Mr. Weber’s claims based on the record to date in the dispute in docket 16-240 have not been made in bad faith, are not a sham, and are not frivolous.

Commissioner Lange withdrew her motion.

E-015/RP-15-690

In the Matter of Minnesota Power's Application for Approval of its 2015-2029 Integrated Resource Plan

Chair Heydinger moved to find that Minnesota Power's range of load forecasting used for its 2015 resource plan is reasonable for planning purposes; however, in light of updated information, Minnesota Power's load forecast scenarios used in its 2015 resource plan may overstate the size or timing of future needs.

The motion passed 5–0.

Commissioner Lipschultz moved to require Minnesota Power to idle Taconite Harbor Energy Center Units 1 and 2 in 2016, retain the ability to restart to address reliability or emergency needs on the transmission system, and cease coal-fired operation by the end of 2020. Future refueling and remission opportunities will be considered in planning and optimization of the facility for the next resource plan.

The motion passed 5–0.

Commissioner Schuerger moved to direct Minnesota Power to remedy the local transmission system issues identified in the Company's analysis of a Taconite Harbor Energy Center Units 1 and 2 closure and allow it to recover reasonable costs of the upgrades consistent with the Company's estimate of the cost of the local system upgrades required for the near-term Taconite Harbor Energy Center Units 1 and 2 shutdown scenario as listed on page 16 of Appendix F of its resource plan.

The motion passed 5–0.

Commissioner Lipschultz moved to find that Minnesota Power has not demonstrated at this time that its proposed investment in SO₂ reduction at Boswell Units 1 and 2 is reasonable.

The motion passed 5–0.

Commissioner Lipschultz moved to require Minnesota Power to retire Boswell Units 1 and 2 when sufficient energy and capacity are available, but no later than 2022.

The motion passed 5–0.

Commissioner Lipschultz moved to allow Minnesota Power to pursue an RFP to investigate the possible procurement of combined-cycle natural gas generation to meet its energy and capacity needs in the absence of Boswell Units 1 and 2 and Taconite Harbor Units 1 and 2, with no presumption that any or all of the generation identified in that bidding process will be approved by the Commission, and to require that Minnesota Power's next resource plan include a full analysis of all alternatives, including renewables, energy efficiency, distributed generation, and demand response, for providing the energy and capacity sufficient to meet Minnesota Power's needs.

The motion passed 5–0.

Commissioner Lange moved to require Minnesota Power, by the end of 2017, to initiate a competitive-bidding process for procurement of 100–300 MW of installed wind capacity.

The motion passed 5–0.

Commissioner Lipschultz moved to take the following actions:

1. Require Minnesota Power to acquire solar units of 11 MW in 2016, 12 MW in 2020 and 10 MW in 2025; and
2. Find that up to 100 MW of solar by 2022 is likely an economic resource for Minnesota Power’s system and require that in any competitive acquisition process, Minnesota Power shall account for this finding in its request for proposals.

The motion passed 5–0.

Chair Heydinger moved to revise part one of the previous motion as follows:

Require Minnesota Power to acquire solar units of 11 MW ~~in~~ by 2016, 12 MW ~~in~~ by 2020 and 10 MW ~~in~~ by 2025 to meet its SES obligations;

The motion passed 5–0.

Commissioner Lange moved to set Minnesota Power’s average annual energy savings goal at 76.5 GWh.

The motion passed 5–0.

Commissioner Lange moved to require Minnesota Power to propose a demand-response competitive-bidding process within six months of the date of this order.

The motion passed 5–0.

Commissioner Lange moved to require Minnesota Power to investigate the potential for an energy-efficiency competitive-bidding process to supplement its existing CIP program, open to both CIP-exempt and non-CIP-exempt customers, and to summarize its investigation and findings in the next resource plan.

The motion passed 5–0.

Chair Heydinger moved to take the following actions:

1. Require Minnesota Power to submit an annual report, by August 1 of each year, to include
 - a. Whether Taconite Harbor Energy Center Units 1 and 2 were selected in MISO’s annual capacity auction;

- b. Whether Taconite Harbor Energy Center Units 1 and 2 will receive capacity accreditation in each MISO planning year;
 - c. How often the units were dispatched in the previous planning year;
 - d. For the previous and upcoming planning year, how much fuel was and will be delivered to the Taconite Harbor Energy Center site; and
 - e. Quantification and demonstration of how and why the economic idling of Taconite Harbor Energy Center Units 1 and 2 is in the ratepayers' interests.
2. Require Minnesota Power, when it commits to a specific bilateral contract exceeding one year or 50 MW, to file pertinent details of the contract, such as the duration, price, and amount of capacity and associated energy to be procured. The filings shall be made within 30 days after the contract is signed.

The motion passed 5–0.

Chair Heydinger moved to require Minnesota Power to file its next resource plan on February 1, 2018.

The motion passed 5–0.

Chair Heydinger moved to ratify all previous decisions and approve Minnesota Power's Integrated Resource Plan with modifications.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: July 20, 2016



Daniel P. Wolf, Executive Secretary