

The Commission met on **Thursday, July 8, 2021**, with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

E-002/GS-21-191

In the Matter of the Application of Xcel Energy for a Site Permit for the up to 460 MW Sherco Solar Project in Sherburne County

E-002/TL-21-189

In the Matter of the Application of Xcel Energy for a Route Permit for the West 345 kV Transmission Line for the Sherco Solar Project in Sherburne County

E-002/TL-21-190

In the Matter of the Application of Xcel Energy for a Route Permit for the East 345 kV Transmission Line for the Sherco Solar Project in Sherburne County

Commissioner Tuma moved that the Commission

1. Accept the combined site and route permit application as substantially complete.
2. Take no action on an advisory task force at this time.
3. Request that an Administrative Law Judge from the Office of Administrative Hearings preside over a public hearing (Summary Proceeding) and:
 - a. Conduct the public hearing in accordance with Minn. R. 7850.3800, subp. 2 to 4, and as the Administrative Law Judge determines appropriate, Minn. R. 1405.0500; 1405.0600; 1405.0800; 1405.1900; and 1405.2200;
 - b. Clarify that intervention as a party is not required and that people may participate as public participants or as otherwise prescribed;
 - c. Ask state agencies to participate in the proceeding in accordance with Minn. Stat. § 216E.10, subd. 3;
 - d. Schedule a prehearing conference in accordance with Minn. R. 1405.1100, as appropriate, to establish the types of filings necessary to facilitate proper record development (*e.g.*, testimony, briefs, reply briefs, proposed findings and site permit recommendations) and a schedule for submitting those filings;

- e. Emphasize the statutory time frame for the Commission to make final decisions on the application and encourage adherence to a schedule that conforms to the statutory timeframe;
 - f. Ask Xcel Energy and others to address whether the proposed project meets the criteria established under Minnesota Statutes chapter 216E and Minnesota Rules chapter 7850;
 - g. Prepare a report setting forth findings of fact, conclusions of law, and recommendations on the merits of the combined site and route permit application, and provide recommendations, if any, on conditions and provisions to the site and route permits; and
 - h. Direct that the hearing record be maintained through the Commission's electronic eDockets filing system.
4. Delegate administrative authority, including timing issues, to the Executive Secretary.
 5. Request that the Department of Commerce Energy Environmental Review and Analysis unit continue to study the issues and indicate during the hearing process its position on the reasonableness of granting site and route permits.
 6. Require Xcel Energy to facilitate in every reasonable way the continued examination of the issues.
 7. Require Xcel Energy to place a print or electronic copy of the application in a government center or public library located near the proposed project site.
 8. Direct Xcel Energy to work with Commission staff to arrange for publication of the notices related to public information meetings and public hearings in newspapers of general circulation under the timelines prescribed in rule and statute and that proof of publication be obtained from the newspapers selected.
 9. Authorize Commission staff to file the sample site and route permits attached to these briefing papers to the docket of this case.

The motion passed 5-0.

E-015/M-20-850

In the Matter of the Petition for Approval of Minnesota Power's Residential Rate Design

E-015/M-12-233

In the Matter of Minnesota Power's Compliance Report for its Temporary Rider for Residential Time-of-Day Rate for Participants of the Smart Grid Advance Metering Infrastructure Pilot Project

Commissioner Schuerger moved that the Commission

1. Approve Minnesota Power's proposed:
 - a. Residential rate design changes from inverted block rate to a transitional flat rate over a two-year time period;
 - b. Discount for usage qualified customers during the initial phase of transition from inverted block rate to a flat rate, and approval of a low-income, usage qualified discount that would continue through the rate design transition;
 - c. Implementation of the phased conversion from inverted block rate to a transitional flat rate so rate design changes can begin to be implemented ahead of Minnesota Power's next rate case;
 - d. Modifications to residential rate schedule 20 ("Residential - General") and schedule 22 ("Residential - Space Heating") specific to the phased conversion to a transitional flat rate;
 - e. Request to sunset the existing pilot rider for residential time-of-day service upon beginning the transition to the new residential rate; and
 - f. Time-of-date rate schedule that includes a peak to super-off-peak price ratio of approximately 2:1.
2. Adopt Minnesota Power's proposed implementation of the phased conversion to default time-of-day rates through four phases.
3. Require Minnesota Power to:
 - a. Submit updates every six months for the first two years of the transition period and annually thereafter on the status of the transition to a transitional flat rate, its outreach efforts, and an analysis of actual customer bill impacts;
 - b. Submit updates every six months during the first three phases of the time-of-day transition plan period on the status of customer transition to default time-of-day rates, its outreach efforts, and an analysis of actual customer bill impacts;

- c. Submit evaluation of customer load shifting and observed price elasticity, and customer feedback within 60 days following the completion of each 12-month phase for phases one through three of the proposed time-of-day transition/implementation plan, including ongoing review of price differential and implementation timelines;
 - d. After completion of the second phase of the time-of-day transition plan, submit updates annually on the status of customer transition to default time-of-day rates, its outreach efforts, an analysis of actual customer bill impacts, customer opt-outs, revenue impacts, load shifting, price elasticity, and customer feedback;
 - e. Send out a one-year survey after each new group of targeted customers are introduced to default time-of-day rates and include results from the surveys annually in its updates;
 - f. Include timely bill inserts and other related advertising as part of its customer outreach program for the transition from the current inverted block rate to a transitional flat rate and then to default time-of-day rates; and
 - g. Submit its proposed time-of-day rates and time-of-day tariff 60 days prior to its proposed implementation of the rates.
4. Delegate authority to the Executive Secretary to review the bill inserts and related outreach Minnesota Power will send to residential customers.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: November 10, 2021



Will Seuffert, Executive Secretary