

The Commission met on **Thursday, September 30, 2021** with Chair Sieben and Commissioners Means, Schuerger, Sullivan, and Tuma present.

The following matters were taken up by the Commission:

IP6646/WS-07-839

In the Matter of the Site Permit Amendment Application of Northern States Power Company for the Grand Meadow Wind Farm Repower Project in Mower County, Minnesota

Commissioner Tuma moved that the Commission:

1. Grant a waiver to Xcel Energy of the wind rights access buffer as requested in its May 27, 2021 filing for Turbines 101-104, 106, 112, 115-119, 124, 126, 129-131, 133-135, 158-159, and 165.
2. Issue an amended Site Permit for the up to 108 MW Grand Meadow Wind Farm Project in Mower County, Minnesota incorporating the revisions to Sections 4.1 and 7.2 as proposed by the DOC EERA.
3. Include the additional language proposed by EERA in sections 4.1 and 7.2 of the site permit:

4.1 Wind Access Buffer

These variances are granted on the condition that the permittee shall extend a final offer to the remaining landowners for the same amount and terms agreed to by other landowners in similar circumstances or their last offer, whichever is higher. At least 14 days before the preconstruction meeting, the permittee must make a compliance filing describing in detail the results of the negotiation. If no wind rights agreement is reached, the permittee acknowledges that this property will not be foreclosed from installing wind turbine generators on such property at a later date, even if such turbine generators cannot be installed on such property in compliance with the setbacks set forth in this section.

7.2 Shadow Flicker

The Permittee shall develop a project wide Shadow Flicker Management Plan that reduces shadow flicker exposure to less than 30 hours per year for all occupied residences. The Permittee may exclude from the Shadow Flicker Management Plan residences that exceed 30 hours per year by providing documentation that the landowners have reached an alternative agreement as it relates to shadow flicker. If agreement is reached with a landowner regarding

shadow flicker after the pre-construction meeting the Permittee may remove that residence from coverage under the plan.

4. Require a compliance filing at least 14 days before the pre-construction meeting outlining the method for disposal or reuse of the existing turbine blades and other components, providing the estimated cost, options considered, evaluation conducted, option selected or rejected, and the timing for disposal or reuse. Additionally, require an update to the disposal compliance filing after repowering has been completed describing actual costs, timing, and methods for disposal or reuse.
5. Authorize Commission staff to make further refinements to the permit conditions as necessary to ensure consistency with the record, the language of recently issued permits, and the Commission's decision in this matter.

The motion passed 5-0.

G-011/D-20-515

In the Matter of Minnesota Energy Resources Corporation Petition for Approval for its Annual Review of Depreciation Rates for 2020.

Commissioner Sullivan moved that the Commission:

1. Approve the depreciation parameters and rates proposed in MERC's Petition, effective January 1, 2020.
2. Allow MERC to use the depreciation rates proposed in its Petition for 2020 in 2020 and 2021.
3. Require MERC to file its next five-year depreciation study by June 1, 2022.
4. Require MERC, in its next depreciation filing, to provide a discussion of the difference between the way it calculates depreciation rates in its depreciation petitions and how it applies those rates in calculating its actual depreciation expense, and whether these practices result in reasonable and correct depreciation accruals.

The motion passed 5-0.

E017/M-21-201

In the Matter of a Proposal by Otter Tail Power for Authorization to Recover Costs for Investments that May Assist in Minnesota's Economic Recovery from the COVID-19 Pandemic

E,G999/CI-20-492

In the Matter of an Inquiry into Utility Investments that May Assist in Minnesota's Economic Recovery from the COVID-19 Pandemic

Commissioner Sullivan moved that the Commission deny Otter Tail Power Company's proposal for authorization to recover costs for investments that may assist in Minnesota's economic recovery from the COVID-19 pandemic.

The motion passed 3-2, with Commissioners Means and Tuma voting against the motion.

E-002/M-20-812

In the Matter of the Xcel Energy 2020 Hosting Capacity Report Under Minn. Stat. §216B.2425, Subd. 8

Commissioner Schuerger moved that the Commission:

1. Accept Xcel's 2020 HCA Report and HCA.
2. Maintain [2020 HCA] ordering paragraph 8 for future HCA reports, which reads:
Xcel's future HCA reports must be detailed enough to provide developers with a reliable estimate of the available level of hosting capacity at the feeder and sub-feeder at the time of submittal of the report to the extent practicable. The information should be sufficient to provide developers with a starting point for interconnection applications.
3. Require Xcel to fully comply with the requirements of ordering paragraph 15 to publish all criteria violation on the map by May 2022.
4. Require Xcel to perform an HCA for load and file the analysis by November 2022.
5. The Commission directs that stakeholder workshops be held that provide for proposals put forward by stakeholders to incorporate the HCA into the interconnection process; the workshops will be convened by the Distributed Generation Work Group (IREC) and facilitated by Commission staff. The Commission delegates administrative authority to the Executive Secretary to set schedules and timelines. Xcel shall, in collaboration with stakeholders, identify which priorities should be addressed first. For the priorities, stakeholders shall discuss the costs and benefits. Once complete, Xcel shall use the

resulting information to develop a cost-benefit analysis and timelines for the priorities. The Company shall provide this information within 120 days after the workshops conclude, or in the alternative, a status update and revised timeline for providing this timeline.

6. Require Xcel to conduct a benefit-cost analysis of the Company's proposed Path 1 and Path 2 improvements of its hosting capacity analysis in any future cost recovery filing. This analysis should clearly indicate which improvements are incremental to any existing and planned grid modernization proposals, such as Xcel's ongoing Advanced Distribution System Management project. Additionally, this analysis should include a discussion of revenue generation from beneficiaries of any improvements.
7. Require Xcel to exclude its hosting capacity analysis costs from its next rate case if the Company requests recovery of its HCA costs through its next Transmission Cost Recovery Rider Petition.
8. Require Xcel to separately develop a proposal to implement the Fast Track Supplement Review Screen Use Case in the next hosting capacity analysis report consistent with the Commission's long-term goal of the hosting capacity analysis, and conduct a benefit-cost analysis of the FTSRS Use Case.
9. Require Xcel to develop, following a Commission determination of the Use Case for future HCA reports, a corresponding data validation plan for HCA results, solicit written feedback from stakeholders on the draft plan, and then include the final plan in the next HCA report. (2020 HCA Order Point 17).
10. Require Xcel to collaborate with stakeholders in evaluating the costs and benefits associated with a hosting capacity analysis able to achieve the following objectives: a. remaining an early indicator of possible locations for interconnection; b. replacing or augmenting initial review screens and/or supplemental review in the interconnection process; and/or c. automating interconnection studies. (2020 HCA Order Point 4).
11. Direct Xcel to continue working with stakeholders to identify opportunities to integrate the HCA and the MN DIP pre-application and screening processes in future iterations of the HCA. (2020 HCA Order Point 5).
12. Adopt a long-term goal to use the hosting capacity analysis in the interconnection process's fast track screens. Xcel should work with stakeholders to refine the hosting capacity analysis. Xcel may seek cost and timing clarification from the Commission. (2020 HCA Order Point 9).

13. Require Xcel to provide, in its 2021 HCA, options for monthly HCA updates, including cost estimates.

The motion passed 5-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: January 19, 2022

A handwritten signature in black ink, appearing to read "Will Seuffert", with a long horizontal flourish extending to the right.

Will Seuffert, Executive Secretary