

The Commission met on **Wednesday, March 12, 2014**, with Chair Heydinger, and Commissioners Boyd, Lange, Lipschultz, and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

E002/TL-09-1448

In the Matter of the Application of Northern States Power Company (Xcel Energy) for a Route Permit for the Hampton-Rochester-La Crosse Transmission Line Project

Commissioner Boyd moved that the Commission authorize the minor alteration requests without conditions.

The motion passed 5 – 0.

E002/AI-13-1108

Two affiliated agreement with Northern States Power Company-Wisconsin, and a variance to the Commission Rules

Commissioner Wergin moved that the Commission approve the Company's proposed Wisconsin CMA and Briggs Road Substation affiliated interest agreements, and grant the Company's request for a variance from Minnesota Rules 7825.2200(B) for the late-filed petition.

The motion passed 5 – 0.

E999/M-14-65

In the Matter of Establishing a Distributed Solar Value Methodology under Minn. Stat. §216B.164, subd. 10 (e) and (f)

Chair Heydinger moved to take the following action:

1. Approve the methodology described in the January 31, 2014 *Minnesota Value of Solar: Methodology* with the following modifications:
 - a. Fuel price escalation factor: 30-day averages are used for the NYMEX Natural Gas Futures contract prices for years 1 through 12; For years beyond year 12, the general escalation rate is used as the guaranteed fuel price escalation.
 - b. Avoided distribution capacity cost: Set the distribution peak load growth rate based on the utility's estimated future growth over the next 15 years. If the result is zero or negative (before adding solar PV), set the avoided distribution capacity cost to zero.

- c. Utilities may select the set of Commission-established non-CO₂ avoided environmental cost values most appropriate to their service territory.

Commissioner Wergin moved to amend the pending motion to require that the methodology calculate the avoided environmental costs of CO₂ using the Commission-established planning value for CO₂ of \$21.50 rather than the EPA's Social Cost of Carbon.

The Wergin motion to amend the pending motion did not pass, 2 – 3 (Heydinger, Lange, and Lipschultz opposed).

The unamended Heydinger motion passed 3 – 2 (Boyd and Wergin opposed).

Chair Heydinger moved to take the following actions:

2. Clarify that the Commission's adoption of the Department's methodology or the values contained is not intended to have any precedential effect.
3. Require utilities to apply the Methodology as filed (and revised) and to work with the Department to clarify questions regarding the construction and use of spreadsheets and tables.
4. Direct staff to solicit comments on issues raised by the parties that were outside the scope of the notice, such as effect on existing net-metered customers, conformity with PURPA, REC ownership disclosure, and any other issues the Commission identifies.

The motion passed 5 – 0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: April 30, 2014



Burl W. Haar, Executive Secretary