

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Beverly Jones Heydinger
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Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of the Integration and
Transmission Study for the Future Renewable
Energy Standard Required by Minnesota Laws
2013, Chapter 85, Article 12, Section 4

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ORDER DIRECTING ELECTRIC
UTILITIES AND TRANSMISSION
COMPANIES TO PARTICIPATE IN A
STUDY REGARDING FUTURE
RENEWABLE ENERGY STANDARD

PROCEDURAL HISTORY

During the 2013 legislative session, the Minnesota Legislature passed Minnesota Laws 2013, Chapter 85, Article 12, Section 4 (the Act), which directs the Commission to order all Minnesota electric utilities and transmission companies to participate in a study regarding increasing the Renewable Energy Standards established in Minn. Stat. § 216B.1691, subd. 2a to 40 percent by 2030, and to higher proportions thereafter.

On July 11, 2013, the Commission met to consider the matter.

FINDINGS AND CONCLUSIONS

I. Background

A. The Renewable Energy Standards

Under Minn. Stat. § 216B.1691, all Minnesota investor-owned electric utilities, generation and transmission cooperatives, municipal power agencies, and power districts must generate or procure specific percentages of their total retail sales using eligible renewable technologies by specific year-end deadlines. These requirements, called the Renewable Energy Standards, are

different for nuclear and non-nuclear utilities and are set forth below:¹

<i>Non-Nuclear Utilities</i>		<i>Nuclear Utility</i>	
2012	12%	2010	15%
2016	17%	2012	18%
2020	20%	2016	25%
2025	25%	2020	30%

The statute directs and authorizes the Commission to oversee utilities' compliance with the Renewable Energy Standards. It requires utilities to report on compliance efforts at least every two years and directs the Commission to regularly investigate each utility's compliance. It authorizes the Commission to enter orders requiring specific performance by non-complying utilities and to assess financial penalties if those orders are not obeyed.

B. Covered Entities

At the Commission meeting, the following entities were identified as those required to comply with the Act:

- Basin Electric Power Cooperative
- Central Minnesota Municipal Power Agency
- Dairyland Power Cooperative
- East River Electric Power Cooperative, Inc.
- Great River Energy
- Heartland Consumers Power District
- Interstate Power and Light Company
- L & O Power Cooperative
- Minnesota Municipal Power Agency
- Minnesota Power
- Minnkota Power Cooperative, Inc.
- Missouri River Energy Services
- Northern States Power Company d/b/a Xcel Energy
- Northwestern Wisconsin Electric Company
- Otter Tail Power Company
- Southern Minnesota Municipal Power Agency
- American Transmission Company
- ITC Midwest LLC

¹ The state has only one nuclear utility, Xcel Energy.

II. Study to Consider Future Renewable Energy Standard

Minnesota Laws 2013, Chapter 85, Article 12, Section 4(a) directs the Commission to order all electric utilities as defined in Minn. Stat. § 216B.1691, subd. 1(b), and all transmission companies as defined in Minn. Stat. § 216B.02, to conduct an engineering study of the impacts on reliability and costs, including necessary transmission network upgrades, of increasing the renewable energy standard established in Minn. Stat. § 216B.1691, subd. 2a, to 40 percent by 2030, and to higher proportions thereafter, while maintaining system reliability. The Act requires the study to be completed and submitted to the Commission by November 1, 2014.

Section 4(b) of the Act requires Minnesota electric utilities and transmission companies to complete the study under the direction of the commissioner of the Department of Commerce (the commissioner). Prior to the start of the study, the commissioner, in consultation with the electric utility and transmission companies, is also to appoint a technical review committee of up to 15 individuals with experience and expertise in electric transmission system engineering, electric power systems operations, and renewable energy generation technology. It will be the responsibility of the technical review committee to review the study's proposed methods and assumptions, ongoing work, and preliminary results.

Section 4(c) of the Act requires electric utilities and transmission companies to incorporate and build upon current and previous studies conducted in Minnesota of relevance to the Renewable Energy Standard. As part of the planning process, the electric utilities and transmission companies are also required to collaborate with the Midcontinent Independent System Operator (MISO), to encourage the integration of Minnesota's planning work and other regional considerations into MISO's future transmission expansion planning work.

Finally, the study is required to include a conceptual plan for the transmission necessary for generation interconnection and delivery. The report must include a description of the analyses conducted and the results obtained, and must identify any critical issues and potential solutions to identified issues as they pertain to increasing the renewable energy standard to 40 percent by 2030.

III. Commission Action

In accordance with Minnesota Laws 2013, Chapter 85, Article 12, Section 4(a), the Commission will direct all electric utilities as defined in Minn. Stat § 216B.1691, subd. 1(b), and all transmission companies as defined in Minn. Stat. § 216B.02, to conduct an engineering study as described in the Act, and as set forth below.

Said electric utilities and transmission companies shall conduct the study work:

- under the direction of the commissioner of the Department of Commerce;
- in coordination with a technical review committee;
- incorporating previous analyses; and
- in collaboration with MISO.

Finally, the Commission will require that said electric utilities and transmission companies

develop a report that complies with Minnesota Laws 2013, Chapter 85, Article 12, Section 4(d). The report shall be submitted to the Commission by November 1, 2014.

ORDER

1. All electric utilities as defined in Minn. Stat § 216B.1691, subd. 1(b), and all transmission companies as defined in Minn. Stat.§ 216B.02, shall conduct an engineering study that complies with Minnesota Law 2013, Chapter 85, Article 12, Section 4(a), and as set forth more fully in this Order.
2. All electric utilities as defined in Minn. Stat § 216B.1691, subd. 1(b), and all transmission companies as defined in Minn. Stat.§ 216B.02, shall complete the study work:
 - under the direction of the commissioner of the Department of Commerce;
 - in coordination with a technical review committee;
 - incorporating previous analyses; and
 - in collaboration with MISO.
3. All electric utilities as defined in Minn. Stat § 216B.1691, subd. 1(b), and all transmission companies as defined in Minn. Stat.§ 216B.02, shall develop a report that complies with Minnesota Law 2013, Chapter 85, Article 12, Section 4(d).
4. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary



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