

The Commission met on **Thursday, May 27, 2010**, with Acting Chair Reha and Commissioners O'Brien, Pugh, and Wergin present.

The following matters were taken up by the Commission:

ENERGY AGENDA

IP-6684/CN-08-785

In the Matter of the Application of Buffalo Ridge Power Partners, LLC for a Certificate of Need for the 138 MW Bitter Root Wind Project in Yellow Medicine and Lincoln Counties

Commissioner O'Brien moved that the Commission

1. determine that a contested case hearing is not required;
2. find that the Environmental Report adequately addresses the issues identified in the December 23, 2009, Scoping Decision; and
3. find that the applicant has met the statutory and rule criteria for a Certificate of Need, and grant a Certificate of Need to Buffalo Ridge Power Partners, LLC for up to 138 MW of wind generation from the Bitter Root Wind Project.

The motion was adopted, 4-0.

IP-6684/WS-08-1448

In the Matter of the Application of Buffalo Ridge Power Partners, LLC, for a Site Permit for the Bitter Root Wind Farm in Yellow Medicine and Lincoln Counties

Commissioner O'Brien moved that the Commission deny the request for a contested case hearing.

The motion was adopted, 4-0.

IP-6830/WS-10-49

In the Matter of the Application of Paynesville Wind, LLC for a Large Wind Energy Conversion System Site Permit for the 95 MW Paynesville Wind Farm in Stearns County

Commissioner O'Brien moved that the Commission

1. make a preliminary determination that a draft site permit may be issued; and

2. approve the proposed draft site permit for the Paynesville Wind Farm for distribution and public comment; and
3. authorize Office of Energy Security's Energy Facility Permitting staff to implement the public participation process found in Minn. Rules, Part 7854.0900.

The motion was adopted, 4-0.

IP-6688/TL-09-601

**In the Matter of the Route Permit Application for the EcoHarmony West Wind Project
161 Kilovolt High Voltage Transmission Line, Switching Station and Substation in
Fillmore County**

Commissioner Wergin moved that the Commission approve and adopt the revised version of the Findings of Fact, Conclusions of Law and Order for EcoHarmony West Wind, LLC's, 161 kV transmission line between a newly proposed EcoHarmony West substation in Bristol Township and the newly proposed switching station in Harmony Township, Fillmore County, Minnesota which:

1. determines that the environmental assessment and record created at the public hearing address the issues identified in the environmental assessment scoping decision;
2. approves the proposed route as described above; and
3. issues a high voltage transmission line route permit, with appropriate conditions, to EcoHarmony West Wind, LLC.

The motion was adopted, 4-0.

E-002/M-09-1481

**In the Matter of Excel's Energy Petition for Approval of a Power Purchase Agreement
with Best Power International, LLC**

Commissioner Wergin moved that the Commission

1. approve the power purchase agreement (PPA) with Best Power subject to Xcel's continued obligation to prudently administer the PPA;
2. find that the Best Power 400 kW solar facility qualifies as an eligible technology under Minn. Stat. § 216B.1691;

3. find that the energy generated by the Best Power project under the proposed PPA is a prudent and reasonable approach to meeting the renewable energy obligations and standards under Minn. Stat. § 216B.1691; the project, including the grant proposal bid price, was selected by the RDF Board and approved by the Commission;
4. note that as a renewable solar project, the project:
 - (a) is an important step in diversifying Xcel's electric portfolio;
 - (b) results in no additional carbon emissions, potentially eliminating future carbon reduction and regulatory costs associated with the energy produced;
 - (c) results in no negative externalities regulated by the Commission, specifically PM-10, CO, Pb, NOx, or CO₂;
 - (d) will provide Xcel with experience in the installation and operating characteristics of solar facilities on its system, lowering future costs of solar alternatives;
 - (e) provides experience in the development of innovative financing methods for solar technologies; and
 - (f) will generate green tags associated with the solar energy generated to meet the renewable energy standards and to potentially off-set project costs;
5. approve the cost recovery as requested by Xcel;
6. approve the Interconnection Agreement with Best Power and St. John's;
7. approve the Electric Service Agreement with Best Power;
8. approve the Addendum to the existing Electric Service Agreement with St. John's.
9. require Xcel to offset its recovery of costs by any revenues it receives from any and all sources as a result of the Best Power PPA, and to report and itemize any such revenues by source and amount in its annual automatic adjustment reports.

The motion was adopted, 4-0.

ET-6133/RP-08-927

In the Matter of Minnesota Municipal Power Agency's Application for Integrated Resource Plan Approval, 2009-2023

Commissioner O'Brien moved that the Commission

1. accept MMPA's resource plan with the advisory directives for its next integrated resource plan set forth below in motion paragraph 3;
2. find that MMPA is in compliance with 2008 renewable energy standards obligations;
3. adopt the following directives for MMPA's next integrated resource plan:
 - (a) MMPA should study the relationship between its members' energy consumption and peak demand to determine if the use of a historical load factor to determine peak demand is a reasonable approach. MMPA should use the result of its study to make any necessary adjustments in its next IRS.
 - (b) Before filing its next IRP, MMPA should discuss potential refinements modeling demand side management with the Office of energy Security.
 - (c) In its next filing, MMPA should
 - (i) analyze a range of possible fuel and capital costs, along with a range of environmental costs; and
 - (ii) analyze what capacity additions best meet its needs considering the resources currently in its portfolio.
4. approve the Agency's variance request; the Agency's next resource plan is due August 1, 2011; direct MMPA to provide its forecast and a load capacity report by July 1, 2010 to the Office of Energy Security.

The motion was adopted, 4-0.

TELECOMMUNICATINS AGENDA

P-999/M-10-5

In the Matter of the Department of Commerce - Telecommunications Access Minnesota (DOC-TAM) Program 2009 Annual Report

P-999/M-10-212

In the Matter of the Department of Commerce - Telecommunications Access Minnesota (DOC-TAM) FY 2011 Proposed Budget and Surcharge Recommendation

Commissioner Pugh moved that the Commission approve that the DOC-TAM's proposed surcharge increase from \$0.06 to \$0.10 per month go into effect on August 1, 2010.

The motion was adopted, 4-0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: JUNE 9, 2010



Burl W. Haar, Executive Secretary