

AGENDA
MPCA Clean Power Plan Stakeholder Group Meeting
August 11, 2014
2:00PM to 3:30PM
MPCA, St. Paul, MN
MPCA Board Room

1. **Welcome and Introductions** - David Thornton, MPCA

In person: Steve Rakow – COMM; Chris Shaw – COMM; Robert Jagusch – MMUA; Mike Myser – Energy Platforms; Margaret Hodnik – Mn Power; Mike Cashin – Mn Power; Lauren Ross Mccalb – GRE; J. Drake Hamilton – Fresh Energy; Bill Droessler – Environmental Initiative; Nancy Lange – PUC; Nicholas Martin – Xcel Energy; Aditya Jayam Prabhakar- MISO; Mark Strohfus – GRE; Karen Monahan – Sierra Club; Michelle Rosier – Sierra Club; Mary Jo Roth – GRE; Keven Johnson – MLI; Tony Kwilas – MN Chamber; Kevin Reuther – MCEA; Frank Kohlasch – PCA; David Thornton – PCA; Peter Ciborowski –PCA; Melissa Kuskie – PCA; Katie Izzo – PCA; Will Seuffert- PCA
On phone/WebEx: Joseph Hoch – Alliant; Joshua Smith – Sierra Club; Matt Larson – Wilkinson, Barker, Knauer, LLP; Leigh Currie – MCEA; Mark Mitchell – SMMPA; Larry Johnston –SMMPA; Janet Gonzalez – PUC; Steve Jackson – Alliant; Alexis Cain – USEPA; Alexis Williams – Fresh Energy; Franz Litz – CCAP; Mark Thoma – Otter Tail Power; Charlie Lippert – Mille Lacs Band; Mike Bull – MN CEE; Tom Dower – ArcelorMittal; Mrg Simon – MRES; Derek Bertsch – MRES; Joy Wiecks – Fond du Lac Band; Brandi Toft – Leech Lake Band; Annie Levenson-Falk – Legislative Energy Commission; Sue Peirce – COMM; Zac Ruzycski – COMM; Shalini Gupta - CEED

2. **Public Hearing/Meetings with EPA recaps** - David Thornton, MPCA

David Thornton provided a brief overview of some meetings/discussions he and Commissioner Stine have had with EPA, other states, and stakeholders. Immediate takeaways are that EPA has heard a lot of discontent regarding treatment of early actions in the proposed Clean Power Plan; the alternative proposal for renewable energy target calculation is getting a lot of interest; EPA is hearing a lot of requests for them to calculate state's mass-based targets (and release with notice/comment period); regarding alternative approaches for calculating baselines – we are hearing from several states that they would not support a 3 year baseline period on a national level, but that it might be reasonable on a case by case basis for states with 2012 baseline anomalies (like MN).

Meeting participants shared perspectives on public hearings, noting that comments were largely non-technical/legal in nature. Mike Cashin offered to share Mn Power's comment letter.

3. **Integrated Resource Plan Analysis** - Steve Rakow, MN Department of Commerce

David Thornton and Bill Grant discussed the two agencies' efforts to analyze where Minnesota currently stands with respect to EPA's proposal. On several issues, EPA's intent with the rule is not entirely clear, so both PCA and COMM have tried to look at the rule with different approaches. Unsurprisingly, results of analyses have differed somewhat, and we are definitely seeking feedback to hone our very preliminary numbers. That said, though results differed, they didn't differ significantly, suggesting that the results of our analyses may be relatively accurate. Neither agency presented compliance strategies. Rather, both looked at future projections based on current operations/plans in order to assess the "gap" Minnesota will need to address in order to comply with the proposed rule.

Questions/comments following Steve's presentation:

-Because EPA has said that the state that compels RE generation gets the plan credit, perhaps modeling the MN RES might make sense.

-How is wind owned by WI (located in MN) treated in the analysis? (Steve Rakow: the COMM analysis modeled wind generation physically located in MN as "in-state" – which, relatedly, means it did not consider the MN-compelled/owned generation located in ND)

-Because there appears to be a significant gap between where EPA set MN's target and where we are projected to be, does the analysis essentially demonstrate that MN won't achieve its target? (Chris Shaw: No – the analysis simply projects where current operation/resource plans would put us; it makes no conclusions about Minnesota's ability to reach its target – it simply shows that action would be needed in order to achieve the target)

-How was EE handled? (Steve: each utility lists its EE goal by year in their IRP proposal; the analysis did not discount for the 10 year EE life assumed by EPA – utilities may have included retirement assumptions in their proposals, though)

4. Where Minnesota Stands on 111(d) – Estimating MWH and CO2 Shortfalls – Frank Kohlasch/Peter Ciborowski, MPCA

Questions/comments following Frank's presentation:

-How were retirements handled? (Peter Ciborowski: they are included in the scenarios)

-Why was 250 MW used for the Keeyask Dam (its capacity is around 750MW)? (Peter: in trying to only incorporate generation "compelled" by MN, we relied on generation identified in the purchase agreement contract)

-Has COMM or PCA settled on a state-driven portfolio approach or is there a chance for a utility-driven approach? (Frank Kohlasch: No decisions have been made – all options are on the table)

-MN should consider commenting on the 5 versus 10 year compliance deadline option identified in EPA's proposal. MN might have an easier time with such an approach because we have done so much early work...the 5 year compliance deadline uses a target that's about 100 lbs/MWh less stringent (Frank: thank you for the input)

-what is PCA's rationale for suggesting a lower NGCC capacity (i.e., 40%, rather than EPA's assumed 70%)? (Peter: historical levels have been around 15%; we believe 70% to be unrealistic, and had to select a lower value – 40% may still be ambitious, given historical operation, but seemed more achievable)

5. MPCA Technical Comment/Corrections Overview – Frank Kohlasch, MPCA

Please send any input on MPCA's draft technical comments to Melissa Kuskie: Melissa.kuskie@state.mn.us as soon as possible. PCA intends to provide technical comments by early September, and then provide more policy/plan-focused comments by the end of the comment period.

6. Closing & Next Steps – MPCA

Melissa will send out information on the next (Aug 28) stakeholder group meeting soon. In the meantime, please submit any input on our analyses/draft comments as soon as possible.