

1.0 Executive Summary

The 2009 Biennial Report has been prepared pursuant to Minnesota Statutes § 216B.2425, which requires utilities that own or operate electric transmission facilities in the state to report by November 1 of each odd numbered year on the status of the transmission system, including present and foreseeable inadequacies and proposed solutions.

This is the fifth round of reports. Reports were filed in 2001, 2003, 2005, and 2007. All biennial reports are available on a webpage maintained by the utilities specifically for the purpose of providing information about transmission planning. That webpage is:

www.minnelectrans.com

This Report is a joint effort of the Minnesota Transmission Owners – those utilities that own or operate high voltage transmission lines in the state of Minnesota. These utilities include the following:

American Transmission Company, LLC	Minnkota Power
Dairyland Power Cooperative	Missouri River Energy Services
East River Electric Power Cooperative	Northern States Power Company, a Minnesota corporation
Great River Energy	Otter Tail Power Company
Hutchinson Utilities Commission	Rochester Public Utilities
ITC Midwest LLC	Southern Minnesota Municipal Power Agency
L&O Power Cooperative	Willmar Municipal Utilities
Marshall Municipal Utilities	
Minnesota Power	

A major purpose of the Report is to list all present and reasonably foreseeable transmission inadequacies in the transmission system and identify possible alternatives for addressing each situation. An “inadequacy” is essentially a situation where the present transmission infrastructure is unable or likely to be unable in the foreseeable future to perform in a consistently reliable fashion and in compliance with regulatory standards.

The State of Minnesota is divided into six transmission planning zones: the Northwest Zone, the Northeast Zone, the West Central Zone, the Twin Cities Zone, the Southwest Zone, and the Southeast Zone. Chapter 5 describes each of the zones generally. Chapter 6 of the report contains a discussion of the inadequacies identified in each zone. The Report lists more than 90 separate inadequacies across the state.

Each inadequacy is assigned a Tracking Number. The Tracking Number reflects the year the inadequacy was identified and the zone in which it is located. A map is included for most inadequacies and a map of the entire zone locating each inadequacy is also provided. A brief description of the inadequacy – the reason or reasons why the present system is inadequate or may be inadequate – is given and the potential alternatives are

described. In some cases, the preferred alternative has already been determined. For each Tracking Number, a brief overview of the analysis that has been conducted is provided, along with a possible schedule for addressing the problem.

Certain projects have been completed since the 2007 Report was filed two years ago. These completed projects are listed in a table in the discussion for each zone in chapter 6. Once a project has been completed and an inadequacy addressed, the matter is closed and that particular Tracking Number is no longer reported. The practice is to permanently close a matter only after the selected alternative has been constructed and placed into service.

If a project requires approval from the Public Utilities Commission, the PUC Docket Number is reported so interested persons can easily find more information about the project on the PUC edockets webpage.

<https://www.edockets.state.mn.us/EFiling/edockets/searchDocuments.do?method=showEocketsSearch&showEdocket=true>

Chapter 2 provides an overview of the biennial reporting requirements.

Chapter 3 of the Report provides a brief description of a number of studies that have been completed over the past two years and studies that are underway. Some studies are specific to Minnesota but others are broad studies by regional and national organizations looking at wide-spread issues affecting the transmission grid. Some studies are relevant to the utilities' efforts to obtain renewable energy and meet Renewable Energy Standard milestones.

Chapter 4 summarizes the efforts the utilities have made to keep the public advised of ongoing planning activities and transmission inadequacies. A summary of six separate webinars that were held in September 2009 to advise the public of the inadequacies identified in each transmission planning zone is included. The utilities also suggest a number of ways in which the biennial transmission planning process might be improved.

Chapters 5 and 6 are the chapters that focus on the six transmission planning zones and the transmission inadequacies in each zone.

Chapter 7 focuses on the sixteen utilities that are jointly filing this report. A brief description of each utility and the transmission lines it owns is provided. A contact person for each utility is provided, and a separate contact list can be found at the end of the report. For the investor-owned utilities, information regarding their transformer inventory is provided in response to request by the Public Utilities Commission for this information.

Chapter 8 provides an analysis of the utilities' progress toward compliance with state Renewable Energy Standards and the transmission needs that might be required to assure compliance with upcoming RES milestones. Not all utilities that own transmission lines are subject to the state Renewable Energy Standards, and some utilities that are not

required to participate in the Biennial Report must meet the RES milestones. All utilities subject to the RES participated in providing information for this part of the report. Generally, the utilities are in compliance with present standards and expect to have enough generation and transmission to meet RES milestones through 2016, although demands of neighboring states for renewable energy will undoubtedly affect what resources will be required.

Upon receipt of this Report, the Public Utilities Commission will solicit comments from the Department of Commerce, interested parties, and the general public about the Report. Any person interested in commenting on the Report or following the comments of others, should check the e-filing docket for this matter or in some other manner contact the Public Utilities Commission. The Docket Number is E-999/M-09-602.