

2.0 Biennial Report Requirements

2.1 The Statute

Minnesota Statutes § 216B.2425 requires any utility that owns or operates electric transmission lines in Minnesota to submit a transmission projects report to the Minnesota Public Utilities Commission by November 1 of each odd numbered year. The Minnesota Legislature enacted Minnesota Statutes § 216B.2425 in 2001 as part of the Energy Security and Reliability Act. The law became effective on August 1, 2001.

The major purposes of the transmission planning requirement are to inform the public of transmission issues in the region and to enable regulators and the public to track development of solutions to these transmission issues. Another purpose of the statute is to expedite approval of projects that do not raise significant issues.

Minnesota Statutes § 216B.2425, subd. 1, provides that the transmission projects report must contain the following information:

- (1) specific present and reasonably foreseeable future inadequacies in the transmission system in Minnesota;
- (2) alternatives for addressing each alternative;
- (3) general economic, environmental, and social issues associated with each alternative; and
- (4) a summary of public input the utilities have gathered related to the list of inadequacies and the role of local government officials and other interested persons in assisting to develop the list and analyze alternatives.

2.2 The PUC Rules

In June 2003 the Minnesota Public Utilities Commission adopted rules that govern the content of the transmission projects report and established procedures for reviewing the report. Those rules are codified in Minnesota Rules chapter 7848.

Minn. Rules part 7848.1300 sets forth a list of categories of information that must be included in a transmission projects report.

Each biennial transmission projects report, whether or not it seeks certification of a high-voltage transmission line, must contain at least the following information:

- A. contact person for each utility.
- B. copy of most recent regional load and capability report of MAPP or other regional reliability council.
- C. copy of most recent regional transmission plan produced by the appropriate regional transmission organization.

- D. list of inadequacies currently affecting reliability and list of reasonably foreseeable future inadequacies over next ten years.
- E. list of all alternative means of addressing each inadequacy, including nontransmission alternatives.
- F. list of studies that have been completed, are in progress, or are planned that are relevant to each of the inadequacies identified.
- G. general description of the economic, environmental, and social issues raised by each alternative.
- H. an account of the measures taken to gather public input and to involve local government officials, tribal government officials, and other interested persons.
- I. report on the number of members of the public who provided input.
- J. report on the number of local and tribal government officials who provided input.
- K. list and description of every transmission project the utility considers necessary now or in the next ten years to remedy any transmission inadequacies identified in the report.
- L. a list and description of every nontransmission project the utility considers necessary now or in the next ten years to remedy any transmission inadequacies identified in the report.
- M. statement as to whether the utility seeks certification of any transmission project or the time frame within which it plans to file a certificate of need application.
- N. approximate time frame for filing a certificate of need application for any nontransmission project identified as necessary.

2.3 The PUC Order

The Minnesota Transmission Owners submitted the 2007 Report on November 1, 2007. The Public Utilities Commission afforded interested persons an opportunity to submit comments regarding the completeness of the Report. After considering all comments that were filed, the Commission issued its Order Accepting Reports, Requiring Further Filings, and Setting Future Filing Requirements on May 30, 2008. PUC Docket No. E-999/M-07-1028.

One provision of the Commission's May 30, 2008 Order, Ordering paragraph 8, directs the utilities to address transmission issues related to upcoming renewable energy milestones. The Order states, "Future biennial transmission projects reports shall incorporate and address transmission issues related to meeting the standards and milestones of the new renewable energy standards enacted at Minn. Laws 2007, ch. 3." Chapter 3 is the 2007 Minnesota Renewable

Energy Act. Accordingly, Chapter 8 of this report provides information responsive to the Commission's direction.

2.4 Reporting Utilities

Minnesota Statutes § 216B.2425 applies to those utilities that own or operate electric transmission lines in Minnesota. The PUC has defined the term "high voltage transmission line" in its rules governing the Biennial Report to be any line with a capacity of 200 kilovolts or more and any line with a capacity of 100 kilovolts or more and that is either longer than ten miles or that crosses a state line. Minn. Rules part 7848.0100, subp. 5. Each of the entities that are filing this report owns and operates a transmission line that meets the PUC definition. Information about the utility and transmission lines owned by each utility is provided in Chapter 7 of this Report. In addition, a contact person for each utility is included in Chapter 7.

The statute allows the entities owning and operating transmission lines to file this report jointly. The Minnesota Transmission Owners have elected each filing year to submit a joint report and do so again with this report. The utilities jointly filing this report are:

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

2.5 Certification Requests

Minnesota Statutes § 216B.2425, subd. 2, provides that a utility may elect to seek certification of a particular project identified in the Biennial Report. According to subdivision 3, if the Commission certifies the project, a separate Certificate of Need (CON) under section 216B.243 is not required.

On May 29, 2009, the Minnesota Transmission Owners advised the Commission that there would be no certification requests included with the 2009 Biennial Report.

2.6 Past Biennial Reports

The 2009 Biennial Report is the fifth such report filed by the Minnesota Transmission Owners. All of the Biennial Reports are available on the webpage maintained by the utilities at:

<http://www.minnelectrans.com>

In addition, for quick reference the following table shows the PUC Docket Number for each Biennial Report and the date of the PUC Order accepting and approving the report.

Biennial Report	PUC Docket Number	PUC Order
2009	E-999/M-09-602	
2007	E-999/M-07-1028	May 30, 2008
2005	E-999/TL-05-1739	May 31, 2006
2003	E-999/TL-03-1752	June 24, 2004
2001	E-999/TL-01-961	August 29, 2002

2.7 Renewable Energy Standards

The 2007 Biennial Report included an entirely separate report called the Renewable Energy Standards Report, which was required by the Legislature as part of the 2007 Renewable Energy Act to be submitted to the Commission by November 1, 2007. This requirement was a one-time obligation and the 2009 Biennial Report does not include a separate RES Report.

Notwithstanding that there is no statutory requirement to file an RES Report in 2009, there are other obligations to report on activities related to compliance with upcoming RES milestones. Minnesota Statutes § 216B.2425 – the statute requiring this report – provides in subdivision 7 that each entity subject to this statute must determine necessary transmission upgrades to support development of renewable energy resources required to meet the Renewable Energy milestones and include those in the biennial report. Also, as described above in Section 2.3, the Public Utilities Commission has ordered the utilities to address transmission issues related to the RES standards and milestones in future biennial reports.

Accordingly, the utilities that are subject to the RES have provided in Chapter 8 of this report, information describing the present situation with renewables and what is estimated to be required in the future to meet upcoming RES milestones.

2.8 Distributed Generation

Another matter that is addressed throughout this Report is the issue of distributed generation. Minnesota Statutes § 216B.2426 provides:

The Commission shall ensure that opportunities for the installation of distributed generation, as that term is defined in section 216B.169, subdivision 1, paragraph (c), are considered in any proceeding under section 216B.2422, 216B.2425, or 216B.243.

Section 216B.169, subd. 1(c) defines “High-efficiency, low-emissions, distributed generation” to mean “a distributed generation facility of no more than ten megawatts of interconnected capacity that is certified by the commissioner under subdivision 3 as a high-efficiency, low-emissions facility.”

Distributed generation has been considered in various ways. In identifying and analyzing alternatives to the inadequacies that have been listed in the Report, the Minnesota Transmission Owners describe whether distributed generation is a possible alternative. For some Tracking Numbers, such as providing an interconnection for a new generation source, distributed generation can quickly be taken off the table. For others, a distributed generation option requires additional study, and more details will be provided at the time a Certificate of Need or other authorization is requested.

More significantly, the Minnesota Transmission Owners, working closely with the Department of Commerce and other stakeholders, and at the direction of the Minnesota Legislature, has completed two studies looking at the possibility of injecting first 600 MW of dispersed renewable generation into the transmission grid, and then, as a Phase II study, another 600 MW of renewable generation. Phase I (the first 600 MW) was completed in June 2008 and Phase II (a second 600 MW) was completed on September 15, 2009.

For further reference the reader is referred to the *White Paper on Distributed Generation*, which the Minnesota Transmission Owners completed in February 2006 and submitted to the Public Utilities Commission. The White Paper is available on the PUC edockets webpage under the 05-1739 Docket Number at:

<https://www.edockets.state.mn.us/EFiling/ShowFile.do?DocNumber=2757788>