

The Commission met on **Thursday, January 30, 2003**, with Chair Koppendrayer and Commissioners Gavin, Johnson, Reha, and Scott present.

Comment [COMMENT1]: Minutes by Carol Casebolt. 1 motion was made.

The following matters were taken up by the Commission.

E-002/CN-01-1958

In the Matter of the Application of Northern States Power Company d/b/a Xcel Energy for Certificates of Need for Four Large High-Voltage Transmission Line Projects in Southwestern Minnesota

Commissioner Scott moved that the Commission take the actions listed below.

- (1) Grant NSP four certificates of need as set forth in the record as option 1H, which includes the following lines:
 - a new 161-kV line in Jackson and Martin counties connecting the Lakefield Junction Substation and the Fox Lake Substation;
 - a new 345-kV line connecting the Lakefield Junction Substation and the Split Rock Substation in South Dakota, the Minnesota portion of which would be in Jackson, Nobles, and Rock counties;
 - a new 115-kV line in Nobles and Murray counties connecting a new Nobles County Substation, located on the new 345-kV line, with a new Fenton Substation and the existing Chanarambie Substation on Buffalo Ridge; and
 - a new 115-kV line from the Buffalo Ridge Substation to the White Substation in South Dakota, the Minnesota portion of which would be in Lincoln County.
- (2) Adopt the in-service dates proposed by Xcel for the project, with the understanding that construction should be completed as soon as practicable after those dates if the regulatory processes or construction takes longer than originally expected.
- (3) Impose all of the following requirements, not as pre-construction requirements, but as requirements to be met during the period required for completion of the regulatory processes and construction:
 - a. Xcel signing power purchase agreements with wind developers by no later than the end of 2003 for a minimum of 675 MW of wind-generated electricity on the Buffalo Ridge and seeking Commission approval so that the Commission can grant approval of the contracts no later than June 30, 2004;
 - b. Xcel installing a total of 825 MW of wind generation at Buffalo Ridge by the time the four transmission lines become operational;
 - c. Xcel making, within 15 days of obtaining the certificates of need, transmission service requests for network (firm) service to the Midwest Independent System Operator (MISO) for at least 825 MW of wind-generated power, and Xcel cooperating in all aspects of the generators' requests for transmission service;

d. Xcel designating the new wind generation resources as network resources pursuant to MISO's Open-Access Transmission Tariff (OATT) within ten days of executing letters of intent for wind generation or as soon as allowed by MISO;

e. Xcel reporting to the Commission on any regulatory developments at the regional or federal level that could affect the conditions placed on the certificates of need.

- (4) Require Xcel to purchase at tariff rates all available small, locally-owned wind generation on Buffalo Ridge up to a total of 60 megawatts for purposes of triggering the timing of substation facilities prior to completion of the certified lines.
- (5) Require Xcel to build the Fenton and Yankee Substations on Buffalo Ridge as soon as 30-40 megawatts or more of viable, small, locally-owned wind generators are aggregated per substation. The Rural Minnesota Energy Task Force will establish the definition of "small locally owned projects."
- (6) Require Xcel to work with elected representatives, wind developers in southwestern Minnesota, other owners of transmission infrastructure in southwestern Minnesota, and other interested stakeholders, to ensure that access to transmission for small, locally owned wind projects is provided; to clarify the criteria for siting new substations in response to wind development; and to facilitate the development of locally-owned wind in southwestern Minnesota.
- (7) Require Xcel to report periodically on its efforts to implement requirements (4), (5), and (6), with the Department of Commerce taking the lead in setting reporting requirements and reporting intervals.

The motion passed 4-1. Chair Koppendrayner voted no.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION

Approval Date:

February 13 , 2003

Burl W. Haar
Executive Secretary