



STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

June 13, 2012

TO: Service List

FROM: Burl W. Haar  
Executive Secretary

*Daniel P. Weg, for*

SUBJECT: In the Matter of the Investigation into Environmental and Socioeconomic Costs, Docket Nos. E-999/CI-93-583 and E-999/CI-00-1636

**NOTICE OF UPDATED ENVIRONMENTAL EXTERNALITY VALUES**

In its May 3, 2001 Order Updating Externality Values and Authorizing Comment Periods On CO<sub>2</sub>, PM<sub>2.5</sub>, And Application of Externality Values To Power Purchases, Docket No. E-999/CI-00-1636, the Commission used the Gross Domestic Product (GDP) Price Deflator Index to update the externality values adopted in its July 3, 1997 Order in Docket No. E-999/CI-93-583, and indicated that the values will continue to be updated as data becomes available from that index.

The environmental externality values have been updated using the 2011 GDP Deflator index values (rebased for a year 2000 base year) published by the United States Department of Commerce on May 31, 2012. A copy of the updated environmental externality values have been attached to this notice and can also be found on the Commission's Website, [www.puc.state.mn.us/PUC/electricity/ReportsandStudies/NoticesofInterest/index.html](http://www.puc.state.mn.us/PUC/electricity/ReportsandStudies/NoticesofInterest/index.html) Questions regarding this matter may be directed to Marc Fournier at (651) 201-2214.

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Enc.

**ENVIRONMENTAL EXTERNALITY VALUES  
UPDATED THROUGH 2011<sup>1</sup>**

**URBAN**

<b>Original (1995\$/ton)</b>	<b>Inflation Adjusted Values</b>			
	<b>GDPIPD (2011\$/ton)</b>			
<b>Range of Values</b>	<b>Range of Values</b>			
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>

SO <sub>2</sub>	112	189	0	0
PM <sub>10</sub>	4462	6423	6202	8928
CO	1.06	2.27	1.47	3.16
NO <sub>x</sub>	371	978	516	1359
Pb	3131	3875	4352	5386
CO <sub>2</sub>	0.3	3.1	0.42	4.31

**METROPOLITAN FRINGE**

<b>Original (1995\$/ton)</b>	<b>Inflation Adjusted Values</b>			
	<b>GDPIPD (2011\$/ton)</b>			
<b>Range of Values</b>	<b>Range of Values</b>			
	<b>Low</b>	<b>High</b>	<b>Low</b>	<b>High</b>

SO <sub>2</sub>	46	110	0	0
PM <sub>10</sub>	1987	2886	2762	4012
CO	0.76	1.34	1.06	1.86
NO <sub>x</sub>	140	266	195	370
Pb	1652	1995	2296	2773
CO <sub>2</sub>	0.3	3.1	0.42	4.31

Environmental Externality values have been updated using United States Department of Commerce, Bureau of Economic Analysis 2011 Price Indexes for Gross Domestic Product (Table 1.1.9) released May 31, 2012. The index has been rebased with 2000 as the base year.

**RURAL****Original (1995\$/ton)****Inflation Adjusted Values****Range of Values****GDPIPD (2011\$/ton)****Range of Values****Low****High****Low****High**

	Low	High	Low	High
SO <sub>2</sub>	10.00	25.00	0.00	0.00
PM <sub>10</sub>	562.00	855.00	781	1188
CO	0.21	0.41	0.29	0.57
NO <sub>x</sub>	18.00	102.00	25	142
Pb	402.00	448.00	559	623
CO <sub>2</sub>	0.30	3.10	0.42	4.31

**WITHIN 200 MILES OF MINNESOTA****Original (1995\$/ton)****Inflation Adjusted Values****Range of Values****GDPIPD (2011\$/ton)****Range of Values****Low****High****Low****High**

	Low	High	Low	High
SO <sub>2</sub>	10.00	25.00	0.00	0.00
PM <sub>10</sub>	562.00	855.00	781	1188
CO	0.21	0.41	0.29	0.57
NO <sub>x</sub>	18.00	102.00	25	142
Pb	402.00	448.00	559	623
CO <sub>2</sub>	0.00	0.00	0.00	0.00

**NOTE REGARDING THE USE OF SO<sub>2</sub> VALUES:** In the January 3, 1997 Order Establishing Environmental Cost Values the Commission found that SO<sub>2</sub> damages would be internalized after 2000 and applying externality costs would be unwarranted.

**NOTE REGARDING THE USE OF CARBON DIOXIDE VALUES:** In its June 3, 2011

**Order Establishing 2011 Estimate of Future Carbon Dioxide Regulation Costs, pursuant to Minn. Stat. §216H.06, in Docket No. E-999/CI-07-1199 the Commission established an estimate of the likely range of costs of future carbon dioxide regulation on electricity generation of \$4/ton to \$34/ton for CO2 emitted in 2012 and thereafter. This range of values will be updated annually. A utility need not apply the CO2 externality values in the above tables established pursuant to Minn. Stat.§216B.2422, subd. 3, in any year to which the utility applies the CO2 costs derived pursuant to Minn. Stat. §216H.06.**