**LARGE POWER INTERVENORS**

Utility Information Request

Docket Number: E015/CN-12-1163 Date of Request: August 20, 2014

Requested From: Large Power Intervenors Response Requested: August 29, 2014

By: Large Power Intervenors (Andrew Moratzka, Chad T. Marriott , Lane Kollen and Phil Hayet)

Request

No.

012 Regarding any assumptions that the Company made in any case concerning the costs of SO2, NOx, other emissions, RECs, and any other externalities in Docket No. E015/M-11-938:

1. Please provide an electronic copy of the forecasts used in each case;
2. Please provide the Company’s latest forecasts; and
3. Please explain whether updated economic evaluations have been performed to evaluate the expected economic benefits of the transmission line based on the updated forecasts.

**Response:**

1. The projected State externality values used in economic evaluations for the Manitoba Hydro 250 MW PPA in Docket No. E015/M-11-938 is shown in the accompanying Excel workbook titled “LPI IR 12\_State Externality Values.xls” on the tab named “Externalities\_E015M-11-938”. The economic evaluation did not include a value for Renewable Energy Credits (REC).
2. Minnesota Power’s latest State externality values is shown in the accompanying Excel workbook titled “LPI IR 12\_State Externality Values.xls” on the tab named “Externalities\_Most Recent”.
3. The need for the Manitoba Hydro 250 MW PPA as a Minnesota Power supply resource was determined by the Minnesota Public Utilities Commission in the approval of Docket No. E015/M-11-938. The 250 MW PPA has been included as a pillar supply resource in each subsequent resource planning docket since its approval. There is a continued need for additional capacity and energy in Minnesota Power’s most recent forecasts, including the Manitoba Hydro 250 MW PPA as was addressed by Mr. Allan S. Rudeck starting on page 9 of his direct testimony. Minnesota Power continues to identify significant long term growth in the need for both demand and energy due to load growth (as shown in the Minnesota Power 2014 Forecast Report) and power supply transformations consistent with its Energy***Forward*** resource strategy that support its approved long term 250 MW power purchase from Manitoba Hydro. The latest externalityforecasts in item b were not a part of Docket No. E015/M-11-938, however the externalitysensitivities ran during the approval of the 250 MW PPA did encompass a range that included the values identified in item b. The economic benefits of the Great Northern Transmission Line project are not specifically impacted by the externality forecasts identified in item b.

Response by: Julie Pierce\_\_\_\_\_\_\_\_\_\_\_\_\_ List Sources of Information:

Title: Manager, Resource Planning \_\_

Department: Strategy and Planning

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