

Memorandum

To: Commissioners Brian Kroshus, Julie Fedorchak, and Randy Christmann
From: Adam Renfandt
Date: November 10, 2020
Subject: Minnkota Power Cooperative, Inc, Infinity Wind Generation Project,
Decommissioning Plan & Cost (Case No. PU-10-100)

Executive Summary:

Minnkota Power Cooperative, Inc. (Minnkota) requests a waiver of North Dakota Administrative Code (NDAC) sections 69-09-09-03, 69-09-09-06, and 69-09-09-08 for their Infinity Wind facility. Staff has reviewed the waiver request and recommends approval.

Issue:

Should the Commission grant Minnkota a waiver to file annual certificates of operation, a periodically updated decommission plan and cost estimate, and ongoing financial assurance for the Infinity Wind facility?

Background:

The Infinity Wind facility is comprised of two 900 kW turbines with a total nameplate capacity of 1.8 MWs. The first turbine near Petersburg, ND, became operational on October 24, 2001, and the second turbine near Valley City, ND, became operational on January 22, 2002. The Commission never granted a site certificate for either turbine.

On October 25, 2013, Minnkota filed an update decommissioning plan and cost estimate, which has not been approved by the Commission. Excluding salvage offsets, the decommissioning estimate is \$41,750 per turbine (\$83,500 in total). Minnkota did not file financial assurance as part of the plan, and it has not filed such an assurance in other filings.

On November 9, 2020, Minnkota filed a request for a waiver of NDAC sections 69-09-09-03, 69-09-09-06, and 69-09-09-08 for the Infinity Wind project. They are requesting (1) a waiver of the requirement to file annual certifications of operation, (2) a waiver of the requirement to file periodic decommissioning plans and cost estimates, and (3) a waiver of the requirement to provide ongoing financial assurance.

In its filing, Minnkota noted that the turbines are owned and operated within the service territories of member-owned cooperatives and that the facility footprint is small.

Analysis:

NDAC section 69-09-09-10 provides the “commission may grant a waiver of any requirement described in sections 69-09-09-03, 69-09-09-06, or 69-09-09-08 for a commercial wind energy conversion facility with a nameplate generating capacity of no more than five megawatts of electricity upon a motion demonstrating good cause for the waiver.”

NDAC section 69-09-09-03 provides that the owner of a facility shall file an annual certificate of operation with the commission by April 1 of each year.

NDAC section 69-09-09-06 provides that the decommissioning plan “[m]ust be updated and filed with the commission ten years after initial approval of the decommissioning plan and then continue to be updated and filed with the commission every five years until decommissioning is complete.”

NDAC section 69-09-09-08 provides that “[p]rior to commencement of operation of a facility, the owner shall provide financial assurance that is acceptable to the commission and sufficient to ensure complete decommissioning.”

If the Commission were to reject the waiver request, Minnkota would be required to file annual certifications of operation, propose and periodically update its decommissioning plan and cost estimate, and propose a decommissioning financial assurance.

A small facility with two turbines each less than one megawatt was the type of facility contemplated when the rulemaking to grant a waiver was considered. Granting such a waiver does not relieve Minnkota of its obligation to decommission the facility, and it does not preclude the Commission from requiring an updated decommissioning plan and cost estimate, annual certificates of operation, and financial assurance in the future.

Recommendation:

Staff has reviewed the waiver request and finds that Minnkota has met the Commission’s requirement to show good cause for a waiver of North Dakota Administrative Code (NDAC) sections 69-09-09-03, 69-09-09-06, and 69-09-09-08 for the Infinity Wind facility. Therefore, Staff recommends the Commission approve the waiver request filed on November 9, 2020.