

9.0 Summary

This Renewable Energy Standards Report is submitted to the Public Utilities Commission in accordance with the requirement of the recently enacted Renewable Energy Act to prepare a report by November 1, 2007, describing the activities that are underway to meet upcoming Renewable Energy Standards and milestones. As described in the Report, a lot is underway, and a lot remains to be accomplished.

The Minnesota utilities subject to the RES have submitted this Report as a coordinated effort. One of the initial steps the utilities took was to prepare what is called a Gap Analysis – an estimate of the amount of additional renewable energy the utilities will be required to obtain if a certain percentage of their future sales to retail customers is to come from eligible renewable resources.

Minnesota utilities are on course to meet pending RES milestones in 2010 and 2012. With the existing renewable resources already online and with additional renewable generation facilities in development, and with the various transmission lines that have been recently completed, are under construction, or are under review by the Public Utilities Commission, the utilities are confident that these interim milestones will be achieved.

It is in the year 2016 and the years beyond that significant strides will have to be taken to achieve the goals. If retail sales in the year 2025, for example, approach the estimated amount of over 80 million megawatt-hours, the utilities will be required to obtain over 20,000,000 MWh of energy from renewable energy sources like wind, hydro, and biomass. That is going to take a significant amount of new renewable generation, perhaps as much as 6,000 MW worth, several times what is presently available.

It is also going to require significant improvements in the transmission system. Several new large transmission lines have been proposed recently, and are under review by the Commission, but these lines are not going to be enough to handle all the renewable energy that will be required. The utilities have presented several conceptual plans, all independently developed, describing possible scenarios for development of new large transmission lines, in the 345 kilovolt capacity and higher, in Minnesota and around the region. Several utilities and the Midwest Independent Transmission System Operator are continuing to look at what might be the best way to provide the transmission that is going to be required. None of these plans has developed beyond the initial conceptual stage.

In the Report, the utilities describe a number of transmission planning studies that have been completed over the recent past, and a number of studies that are underway. In addition, the utilities have described a Five Year Plan for conducting studies and identifying transmission projects that will be valuable additions to the transmission grid for purposes of transmitting renewable energy from remote locations to load centers. The utilities have described several new studies that will begin within months of the submission of this Report.

The utilities have also attempted to lay out some of the critical issues that will have to be addressed in the upcoming effort to identify, design, and construct a system of renewable generation and transmission that will be adequate to achieve the ultimate objective. Some of these critical issues are technical, of course, while others are regulatory and provincial. None, importantly, is insurmountable. It will, however, require a coordinated effort by the utilities, the regulators, the regional transmission entities, and interested persons to address these matters.

Minnesota electric utilities are pleased to report on their ongoing progress in achieving the Renewable Energy Standards. The process has been and will remain an open process to afford interested persons an opportunity to be heard and to be informed of recent developments.