Minnesota INTERFAITH POWER & LIGHT

Docket 23-151
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Via Electronic Filing

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101-2147

Minnesota Interfaith Power and Light (MNIPL) respectfully submits this comment to expand upon the partial compliance question as a reply to comments made by others in this docket.

Thank you for this opportunity to submit additional information for your consideration.

1. **How should the Commission define carbon free?**
   Are any clarifications necessary regarding what resources should be considered carbon free?

   The question of how to define carbon free was answered by the legislature in the definition it put into law in 2023:

   Carbon-free: "a technology that generates electricity without emitting carbon dioxide."

   The question of what counts as carbon-free is answered by science. A technology either emits or does not emit carbon dioxide while producing electricity. If it does emit carbon dioxide while producing electricity, then it is *not* carbon-free and should *not* count towards the 100% carbon-free electricity by 2040 standard passed in Minnesota.

   What electricity-generating technologies are carbon-free? Solar, wind, nuclear are clear examples.

   Now, this does not mean that MNIPL is a fan of building new nuclear power. We are not attempting to answer that question here. But it does mean that we acknowledge that nuclear does not emit carbon dioxide while generating electricity and thus, according to the law that was passed, should count under the 100% carbon-free standard in Minnesota.

The question posed by the PUC in the comment period is not "please advocate for your favorite energy technologies."

The question posed is "How should the Commission define carbon free?" MNIPL's answer: Define it as the legislature did: “a technology that generates electricity without emitting carbon dioxide.”

If we, or the Commission, were to opt NOT to use this definition as our guide, then we would have no guide. We would be

1) Ignoring what the legislature put into statute, and
2) Opening up what counts as carbon-free to a free-for-all.

Many entities are arguing for a free-for-all with rationales for counting as carbon-free

- The burning of trees for electricity
- The burning of trash for electricity
- The use of expensive systems that, when operating, may capture some portion of the carbon dioxide that comes from burning coal, natural gas or trees.

But these are not carbon-free.

They should not count toward the 100% Carbon Free Electricity standard.

2. How should the Commission consider partial compliance with respect to Minn.Stat. §216B.1691 Subd. 2d.(b), including both subpoints i and ii?

The definition put in statute by the legislature must be applied to the whole of Minn.Stat. § 216B.1691: “carbon-free” means “a technology that generates electricity without emitting carbon dioxide.”

1) Plain language indicates partial compliance is only for carbon-free technologies that generate electricity.

The legislative language around compliance does not indicate partial compliance should be allowed for anything other than carbon-free technology:

> partial compliance should be considered for *"electricity generated from facilities that utilize **carbon-free technologies for electricity generation**, but only for the percentage that is **carbon-free**"*

This allows a utility that combines electricity from carbon-free technologies (like wind) with electricity from carbon-emitting technologies (like coal) in a particular facility or system to count the carbon-free technology component for partial compliance with the new carbon free standard passed in 2023.

As the term "carbon-free" is used twice in 216B.1691 Subd. 2 (d) (b) (i), it is essential to understand this statute as not allowing for carbon ***emitting*** technologies to count toward the standard while considering partial compliance.

Here is an example of how we ask the Commission to understand partial compliance to work in determining what energy counts to the new Carbon Free Electricity Standard passed in 2023:

Facility 1: 40% of electricity produced comes from solar
60% of electricity produced comes from coal

Because solar is carbon-free, and coal is not carbon-free,
= 40% carbon-free contribution from Facility 1 toward the new carbon free standard

Facility 2: 40% of electricity produced comes from solar
60% of electricity produced comes from coal with carbon capture

Because coal with carbon capture does not meet the definition of carbon-free set by the legislature,
= 40% carbon-free contribution from Facility 1 toward the new carbon free standard

2) Carbon capture technologies are not electricity generating and thus are irrelevant to interpretation of partial compliance subpoints.

Many commenters inappropriately conflate electricity generating technologies with carbon-mitigating technologies.

Electricity generation produces electricity from any number of sources – coal, natural gas, solar, wind, and more.

Carbon capture systems are entirely different mechanical systems that do not produce or make more efficient the production of electricity. Instead carbon capture systems make the electricity production more inefficient as they require large amounts of extra energy to operate. In some facilities, carbon capture technology adds 30%[1] to the total fuel needed to support its operation as it seeks to capture the carbon emissions associated with the underlying carbon-emitting technology.

Since they are entirely different mechanical systems serving different purposes, using carbon capture systems is not part of producing electricity and should not be defined as doing so. Whether carbon capture systems are broken or turned off does not impact electricity production. Examples of carbon capture systems in use around the United States have high percentages of "venting" – or not using the equipment for a variety of reasons.

Pairing an energy-intensive carbon capture system with a carbon-emitting electricity production facility should not allow the electricity produced to meet Minnesota's new carbon free standard.

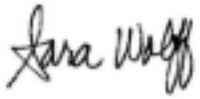
In addition to violating the plain language of the statute, doing so would have several negative impacts, among them:

- Creating an incentive to burn more fossil fuels: the more you coal you burn and the more emissions you create, the more emissions you can capture
- Shifting the focus of utilities from moving toward carbon-free technology to investing further in existing polluting systems
- Inevitably charging rate-payers for the inefficiencies of extra equipment and the extra energy required to run it.
- Allowing for continued pollution of air, land, water and communities.

The plain language of the statute does not allow for an interpretation of carbon-free electricity to mean carbon capture, net-zero, or carbon neutral.

We urge the Commission to operationalize this statute using the definition of carbon-free adopted by the legislature in 2023 and using it in the same way throughout the statute.

Respectfully submitted,



Sara Wolff, J.D., M.A.
Strategic Policy Director
Minnesota Interfaith Power & Light

[1] *MPR*, Dan Gunderson, "Climate solution or pipe dream?" March 13, 2024.