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January 11, 2016

Dan Wolf  
Executive Secretary  
Public Utilities Commission  
121 – 7<sup>th</sup> Place East, Suite 350  
St. Paul, MN 55101

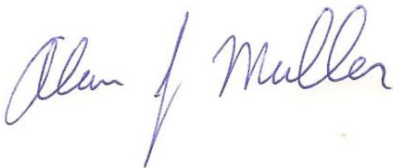
RE: RDF Funding of Project -- Red Wing RD4-8  
Renewable Development Fund  
PUC Docket No. E002/M-12-1278

Dear Mr. Wolf:

Attached please find Motion for Reconsideration of Alan Muller.

Please let me know if you have any questions or require anything further.

Very truly yours,

A handwritten signature in blue ink that reads "Alan Muller". The signature is written in a cursive style with a large, stylized 'A' and 'M'.

Alan Muller

Enclosure: Motion for Reconsideration and Certificate of Service

cc: eServed via eDockets

**CERTIFICATE OF SERVICE**

In the Matter of a Request by Xcel Energy to  
Issue Renewable Development Fund Cycle 4  
Requests for Proposals and Petition for Approval  
Of a Standard Grant Contract

PUC Docket No.: E002/M-12-1278

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I, Alan J. Muller, hereby certify that I have this day served copies of the attached Motion for Reconsideration by electronic filing eService.



Dated: January 11, 2015

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**STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION**

**Beverly Jones Heydinger  
Nancy Lange  
Dan Lipschultz  
Betsy Wergin  
John Tuma**

**Chair  
Commissioner  
Commissioner  
Commissioner  
Commissioner**

In the Matter of a Request by Xcel Energy to  
Issue Renewable Development Fund Cycle 4  
Requests for Proposals and Petition for Approval  
Of a Standard Grant Contract

PUC Docket No.: E002/M-12-1278

**ALAN MULLER -- MOTION FOR RECONSIDERATION**

Alan Muller (hereinafter “Muller), Commenter in the above-captioned docket, resident of and taxpayer in Red Wing, and Xcel Energy ratepayer, brings this Motion for Reconsideration of the Executive Secretary of the Public Utilities Commission’s decision, filed on December 21, 2015, to authorize a Renewable Development Fund grant to the City of Red Wing for a Refuse Derived Fuel Production Facility. Muller requests the Commission reconsider its decision and amend its Order to reflect that this Redwing Project, RD4-8 should not be funded as it does not meet the criteria for selection to receive a Renewable Development Fund grant; Xcel Energy is the primary beneficiary of the Red Wing project RD4-8; the Project is not economically sound, and the Xcel Energy garbage incinerator permit is expired and that plant should not be a beneficiary of Renewable Development funds.

The Commission’s Order of March 11, 2014, set out procedures to address “Contract-

Negotiation Impasse” and “Reserve List,” which required that Xcel Energy file a written notice with the Executive Secretary and authorizing the Executive Secretary to determine that there is sufficient impasse and to move to the Reserve List. Order, p. 9, March 11, 2014.<sup>1</sup> The Commission also delegated authority to the Executive Secretary to seek comments. Id.

## I. DESCRIPTION OF THE PROJECT

Xcel Energy burns ground up garbage in Red Wing and Mankato, in converted travelling-grate coal units built in the 1940s and converted to burn garbage in the 1980s. Great River Energy has similar operations near Elk River, and Xcel operates a similar waste-burner in LaCrosse (French Island) Wisconsin. These operations have similar or higher emissions than “mass burn” garbage incinerators but cost more because of the additional grinding step and the hauling loading out of the garbage to and from an additional facility. The Project has been described as a renewable energy production “Research” project but this is a mischaracterization, as such grinding operations have been in operation since the early 1980s and the proposed grinder in Red Wing uses established technology (hammer mills, etc). Further, a *bona-fide* research project would have an end point, but there is no indication that the project proposal is other than a permanent facility. Muller has visited the main operating grinding operation in Newport, MN, the Xcel “Steam Plant” (garbage burner) in Red Wing, and the existing City of Red Wing garbage grinding/processing operations.

There are a great many opportunities to fund useful and constructive “renewable “ projects, projects that would be beneficial, and not harmful, and in keeping with the purpose and criteria of the Renewable Development Fund. This Red Wing project RD4-8 is not one of them.

## II. STATUTORY BASIS

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<sup>1</sup> Order Approving RDF Grant Recommendations, Establishing Funding Procedures, and Requiring Compliance Filings, 3/11/2014, eDocket # [20143-97201-01](#).

Minnesota Statutes:

**Renewable development account.**

(a) The public utility that owns the Prairie Island nuclear generating plant must transfer to a renewable development account \$500,000 each year for each dry cask containing spent fuel that is located at the Prairie Island power plant for each year the plant is in operation, and \$7,500,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (c). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Prairie Island for any part of a year.

(b) The public utility that owns the Monticello nuclear generating plant must transfer to the renewable development account \$350,000 each year for each dry cask containing spent fuel that is located at the Monticello nuclear power plant for each year the plant is in operation, and \$5,250,000 each year the plant is not in operation if ordered by the commission pursuant to paragraph (c). The fund transfer must be made if nuclear waste is stored in a dry cask at the independent spent-fuel storage facility at Monticello for any part of a year.

Minn. Stat. §116C.779, Subd. 1.

“Renewable Energy” is variously defined in different statutes and rules, but is not specifically defined in the Renewable Development Fund statute. Whether garbage burning is a “Renewable” electricity source is a point of contention within the Fund Advisory Group and elsewhere. What is not disputable is that burning garbage, or “Refuse Derived Fuel,” produces far higher emissions of both climate changing emissions, mainly carbon dioxide, and health-damaging regulated air pollutants.<sup>2</sup> Thus, expansion of garbage grinding/burning is not in the public interest, and the Commission should not allow processing for incineration as a Renewable Development Fund project.

III. **RED WING PROJECT RD4-8 DOES NOT MEET CRITERIA**

The Red Wing project was placed on the “Reserve List” in Attachment C of the Commission’s Order of March 11, 2014. The project received a score of 113.75, and the Xcel

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<sup>2</sup> Data from the US EPA on emissions from various fuels are summarized here: <http://www.energyjustice.net/egrid>

spreadsheet noted that:

*The proposal included some justification for why a higher award was requested. The advisory group was unable to reach a consensus to recommend it for funding, primarily due to the qualitative evaluation of refuse as a renewable fuel. The advisory group was able to reach a consensus to recommend the project be added to the reserve list.*

Xcel Energy<sup>3</sup> Reply Comments, Attachment M.

The criteria for selection to receive a Renewable Development Fund grant is established in Minnesota Statute § 116C.779, subd. 1(d). To qualify, an RDF Project must satisfy at least one of the RDF's purposes:

- to increase the market penetration within Minnesota of renewable electric energy resources at reasonable costs;
- to promote the start-up, expansion, and attraction of renewable electric energy projects and companies within Minnesota;
- to stimulate research and development within Minnesota into renewable electric energy technologies; and
- to develop near-commercial and demonstration-scale renewable electric projects or electric infrastructure delivery projects that enhance the delivery of renewable electric energy.

Minn. Stat. §116C.779, Subd. 1(d).

This project admittedly does not increase market penetration of renewable energy, does not promote start-up, expansion, and attraction of renewable energy projects. It does not stimulate research and development, nor does it develop near-commercial and demonstration-scale renewable electric projects that enhance delivery of renewable electric energy. The advisory committee admittedly could not reach consensus on this project as a RDF candidate.

#### IV. **XCEL ENERGY WOULD BE THE PRIMARY BENEFICIARY**

While the ostensible applicant is the City of Red Wing, the real beneficiary is Xcel

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<sup>3</sup> Xcel Energy Reply Comments, 12/12/2013, eDocket # [01312-94546-01](#).

Energy, as stated in comments filed by Red Wing official Rick Moskwa:

***Lower Operational Costs for Xcel Energy.***

*Xcel and reduce downtime due to lack of fuel which occasionally occurs. This efficiency improvement will increase cost effectiveness for Xcel Energy, lowering operational costs for the comXcel historically receives approximately 180,000 tons of RDF from the Newport facility, but has capacity to burn approximately 200,000 tons. The goal of the Red Wing facility is to provide the 20,000 ton capacity gap Xcel is experiencing. This would improve the economies of scale for the company.*

Moskwa, Red Wing Comments, 12/17/2015.<sup>4</sup>

The purpose of the Renewable Development is not to fund projects for the benefit of Xcel Energy. The project should not be authorized by the Commission as a Fund project.

Xcel Energy secured a statutory change giving it near-unilateral control of the Fund, arguing that because it was Xcel (ratepayer!) money, Xcel should control it. The role of the “Advisory Group” was reduced. Now, Xcel abuses the additional control it secured by seeking to divert Fund resources to prop up its failing garbage incineration business. This is not in the public interest and should not be allowed by the Commission.

In previous oral argument before the Commission in this matter, attended by Muller, the City of Red Wing did not appear.

**V. THE RED WING PROJECT RD4-8 IS NOT ECONOMICALLY SOUND**

The Red Wing Project does not seem economically viable. In this case, the Renewable Development Fund provides \$1,999,500 of the \$6,896,939 project cost, with other funding not disclosed. Red Wing has little equity interest in this project. Further, Red Wing has a history of reliance on incineration and use of refuse derived fuel which has cost the city hundreds of thousands of dollars annually, without benefit to residents. The City of Red Wing does not appear to have evaluated waste management alternatives and has not meaningfully disclosed its

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<sup>4</sup> City of Red Wing Comments, 12-17-2015, eDocket # [201512-116591-01](#).

actions to its residents. Similarly, and contrary to the claims of Mr. Moskwa and others, this is a very expensive source of electricity and expanding the use of it is likely to have rate impacts as well as health/environmental impacts. It cannot be in the public interest to expand an activity that is both expensive and highly polluting.

**VI. XCEL ENERGY'S RED WING GARBAGE INCINERATOR HAS AN EXPIRED PERMIT AND THE PROJECT IS NOT ENVIRONMENTALLY SOUND.**

The air permit for Xcel Energy's Red Wing garbage incinerator was issued by the MPCA in 2004, and expired on June 1, 2009. Some of the limits in this permit do not comport with current US Environmental Protection Agency guidance for Municipal Waste Combustors. Thus, continued operation under this expired permit may expose Red Wing residents and others to excessive emissions. As a policy, the Public Utilities Commission should not issue grants to projects that are operating under expired air permits. (Muller has repeatedly, over some years urged the MPCA and Xcel to establish up-to-date permits for the Red Wing facility.) Likewise it is irresponsible for the City of Red Wing to seek increased burning at a facility without proper permits.<sup>5</sup>

Air emissions of Xcel's Red Wing burner include hazardous and toxic chemical in the amount of about 1.5 million pounds per year, including, recently, 69 pounds per year of lead, an extremely harmful neurotoxin that cause permanent cognitive and behavioral damage.<sup>6</sup> Emissions are roughly in proportion to the amount of "fuel" (garbage) burned. Thus, the roughly ten percent increase in burning identified by Mr. Moskwa could correspond to about 7 pounds more lead discharged into the air breathed by Red Wing residents, and a total pollutant increase

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<sup>5</sup> Permits for the Red Wing facility can be found online at <https://www.pca.state.mn.us/sites/default/files/04900005-001-aqpermit.pdf> and <https://www.pca.state.mn.us/sites/default/files/04900005-002-aqpermit.pdf>

<sup>6</sup> A partial summary of emissions in recent years, along with a photograph of the facility, can be found here: <http://www.alanmuller.com/xcel-energy-garbage-burners-belche-out-pollutants-in-red-wing-mankato-and-la-crosse/>



of on the order of 150,000 pounds per year. Muller identified some of these concerns in comments previously filed in this docket, but there is no indication that Xcel Energy, the RDF Advisory Group, the City of Red Wing, the Pollution Control Agency, or the PUC staff, has so far paid any attention. It is long past time for the Commission to pay attention.

In addition to the deficiencies in permitting, the record does not show that there has been any environmental review of the Red Wing scheme for grinding and burning, nor has there apparently ever been environmental review of Xcel's Red Wing garbage burner, or of the proposal to increase throughput there. This mocks the Minnesota Environmental Policy Act and should be corrected before the Commission supports increased throughput at the facility.

**VII. THE COMMISSION SHOULD RECONSIDER THE EXECUTIVE SECRETARY'S DECISION AND DENY FUNDING FOR RED WING RD4-8.**

By any criteria, the Red Wing Refuse Derived Fuel Production Facility does not meet the criteria for a Renewable Energy Development Fund grant. Muller requests the Commission reconsider its decision and amend its Order to reflect that this Redwing Project, RD4-8 will not be funded as it does not meet the criteria for selection to receive a Renewable Development Fund grant; Muller requests the Commission reconsider its decision and amend its Order to reflect that this Redwing Project, RD4-8 should not be funded as it does not meet the criteria for selection to receive a Renewable Development Fund grant; Xcel Energy is the primary beneficiary of the Red Wing project RD4-8; the Project is not economically sound, and the Xcel Energy garbage incinerator permit is expired and that plant should not be a beneficiary of Renewable Development funds.

If the Commission requires more information on this matter, the Project should be put on hold, a comment period or briefing scheduled, and oral argument held.

Respectfully submitted,

A handwritten signature in blue ink that reads "Alan Muller". The signature is written in a cursive style with a large, sweeping 'A' and 'M'.

January 11, 2016

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