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**BEFORE THE STATE OF MINNESOTA
OFFICE OF ADMINISTRATIVE HEARINGS
FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION**

In the Matter of the Application by Otter Tail Power Company and Others for Certification of Transmission Facilities in Western Minnesota And In the Matter of the Application to the Minnesota Public Utilities Commission for a Route Permit for the Big Stone Transmission Project in Western Minnesota)
)
) **OAH No. 12-2500-17037-2**
) **MPUC Dkt. No. CN-05-619**
) **and**
) **OAH No. 12-2500-17038-2**
) **MPUC Dkt. No. TR-05-1275**
)

**Errata to Joint Intervenors Exhibit 3
of
David A. Schlissel and Anna Sommer
Synapse Energy Economics, Inc.**

**On Behalf of
Fresh Energy
Izaak Walton League of America – Midwest Office
Wind on the Wires
Union of Concerned Scientists
Minnesota Center for Environmental Advocacy**

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December 7, 2006

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1 **Table 5 Corrected. Amount of Big Stone II Added in Least Cost Plan**

Scenario	
MDU Preferred Plan	116 MW
Low CO ₂ Price	0 MW
Mid CO ₂ Price	0 MW
Increased Wind Availability	116 MW
Increased DSM	0 MW
Increased BSII Capital Cost 10%	0 MW

2 The addition of Big Stone II is highly sensitive to model assumptions and
 3 consequently, the model only chose the Big Stone II Project in the increased wind
 4 availability case we ran.

5 **Q. What resources did the model pick as an alternative to Big Stone II?**

6 A. It depends upon the scenario. In general additional wind and CT capacity is added
 7 instead of Big Stone II. Table 6 shows the MW capacity additions of new resources
 8 under each of the four plans shown above in which the model selected none of the
 9 Big Stone II Project.

10 **Table 6 Corrected. Capacity Additions of New Resources under Four Scenarios**

Scenario	Xcel Contract	CT	Wind	MDU DSM 1	MDU DSM 2	MDU DSM 3
Low CO ₂ Price		174 MW	158 MW	7 MW		
Mid CO ₂ Price		174 MW	158 MW			
Increased DSM	105 MW	131 MW	63 MW	n/a	n/a	n/a
Increased BSII Capital Cost 10%		174 MW	95 MW	7 MW		

11 **Q. Please explain why you have made the corrections to Tables 5 and 6 above.**

12 A. Earlier this week, MDU indicated that they had been unable to replicate the results of
 13 our Increased Wind Availability Scenario. This led us to re-examine the analyses we
 14 had performed for MDU using the Strategist model. The results of our revised runs
 15 are presented in Table 5 Corrected and Table 6 Corrected above.

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1 When we reran our Increased Wind Availability case, we found that increasing the
2 amount of wind that was available for the model to select did not have the same effect
3 we had previously seen. After talking with New Energy Associates, the vendor for
4 the Strategist model, it appears that the results of our original Increased Wind
5 Availability case may have been distorted by data that the model might have saved
6 from an earlier model run. New Energy Associates indicated that this sometimes
7 occurs without such data being shown in the inputs or outputs.

8 **Q. Can you explain why the amount of the Big Stone II Project selected in your**
9 **Increased Wind Availability case increased from 0 MW in your original Table 5**
10 **to 116 MW in Table 5 Corrected?**

11 **A.** Yes. MDU constrained the Strategist model to select either 0 MW of its share of Big
12 Stone II or all 116 MW. That is, the model was unable to select some, but not all, of
13 MDU's share of the project. When we reran our Increased Wind Availability case and
14 allowed the Strategist model to select between 0 and ten blocks of Big Stone II (with
15 each block 11.6 MW in size) in 2012, instead of constraining it to choose either 0
16 MW or 116 MW, the model selected only 23.2 MW of Big Stone II instead of the 116
17 MW shown in Table 5 Corrected.

18 Similarly, the model chooses only 23.2 MW of Big Stone II under MDU's Base Case
19 assumptions, rather than 116 MW, if you allow the Strategist model to select up to
20 ten 11.6 MW blocks of the Project in 2012, instead of constraining it to choose either
21 0 MW or all 116 MW. In addition, using all of MDU's base case assumptions, the
22 Strategist model did create a non-Big Stone II plan that has a slightly lower net
23 present value than did MDU's Preferred Plan with 116 MW of the Project.