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September 11, 2018

Patricia Van Gerpen
Executive Director
SD Public Utilities Commission
500 E. Capitol Ave.
Pierre, SD 57501

RM13-002: In the Matter of the Consideration of Standards to Govern Avoided Cost Determinations; Staff Request to Dismiss and Close the Docket

Ms. Van Gerpen,

On September 25, 2013, Commission staff (Staff) requested the Commission open a rulemaking docket for the purpose of considering, on a statewide basis, the proper standards that should govern avoided cost determinations. After considering initial comments received from several stakeholders, Staff filed draft rules on November 5, 2015 and requested the Commission establish a deadline for comments on the draft rules. Through its order dated November 30, 2015, the Commission set a deadline for initial comments on Staff's proposed draft rules of February 1, 2016, with responsive comments due March 1, 2016. Black Hills Energy, Otter Tail Power Company, Xcel Energy, MidAmerican Energy, and NorthWestern Energy filed initial comments. Responsive comments were filed by Xcel Energy, MidAmerican Energy, and Juhl Energy, Inc. No action on the draft rules has been taken since.

Through this letter, Staff requests that the Commission dismiss and close the rule making docket. Several changes have occurred in the PURPA landscape since the draft rules were initially proposed. Changes include additional guidance from the Federal Energy Regulatory Commission issued through declaratory orders, past decisions from this Commission that clarify some of the issues, and discussion at the federal level on the need to reform PURPA. Since the proposed draft rules would likely need an overhaul to address these changes, Staff recommends closing this rule making docket and opening a new docket in the future should the Commission find rules setting forth standards to govern avoided cost determinations are still necessary.

Sincerely,

Karen E. Cremer

Karen E. Cremer
Commission Attorney
SD Public Utilities Commission

cc: Service list