



414 Nicollet Mall  
Minneapolis Minnesota 55401

June 5, 2014

Burl W. Haar  
Executive Secretary  
Minnesota Public Utilities Commission  
121 7th Place East, Suite 350  
St. Paul, Minnesota 55101-2147

—Via Electronic Filing—

RE: SUPPLEMENTAL COMMENTS IN RESPONSE TO COMMISSION STAFF INQUIRIES  
UTILITY RENEWABLE ENERGY COST IMPACT REPORTS  
DOCKET NO. E999/CI-11-852

Dear Dr. Haar:

Northern States Power Company, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission these Supplemental Comments in Response to Staff Inquiries, in response to Commission Staff Information Request No. 1, provided as Attachment A to this filing. In this supplement, we provide information that elaborates on our proposed methodology for calculating the avoided energy benefit using historical LMPs in the cost impact template that we proposed in the above-referenced docket.

For renewable energy resources with detailed hourly generation metering, the Company proposes calculating the avoided energy benefit by multiplying the historical hourly generation by the corresponding historical hourly day ahead LMP at a representative MISO load zone, such as NSP.NSP for example. The sum of this multiplication across the full reporting period would constitute the avoided energy benefit for that particular resource.

For resources that do not have historical hourly generation profiles available (typically smaller resources or non-metered DG resources), an analytically-derived “typical” profile appropriate for the type of resource and scaled to the capacity of the specific resource would be used as a substitute. The expected hourly generation based on this typical profile would also be multiplied by the corresponding MISO day ahead LMP to derive the avoided energy benefit for these resources.

The avoided energy benefits for each individual resource would then be summed to derive the total portfolio benefit.

We have electronically filed this document with the Commission, and copies of this filing have been served on the parties on the attached service list.

Please contact me at 612-330-6732 or [james.r.alders@xcelenergy.com](mailto:james.r.alders@xcelenergy.com) if you have any questions regarding this filing.

SINCERELY,

/s/

JAMES R. ALDERS  
STRATEGY CONSULTANT

Enclosure  
c: Service Lists



STATE OF MINNESOTA PUBLIC UTILITIES COMMISSION

May 28, 2014

James R. Alders  
Xcel Energy  
414 Nicollet Mall  
Minneapolis, MN 55401

Re: Docket No. E999/CI-11-852

Dear Mr. Alders:

Attached is PUC IR #1. Please file responses in the record in this docket, labeled as "Supplemental Comments in Response to Commission Staff Inquiries."

This document will also be sent to the members of the Docket 11-852 mailing list.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Twite".

Andrew Twite

Commission Staff

This question is:

 Trade Secret  
 Public**State of Minnesota  
Public Utilities Commission****Utility Information Request**

Docket Number: E-999/CI-11-852

Date of Request: 5/28/2014

Requested From: Xcel Energy

Response Due: 5 business days

Analyst Requesting Information: Andrew Twite

Type of Inquiry:

<input type="checkbox"/>	Financial	<input type="checkbox"/>	Rate of Return	<input type="checkbox"/>	Rate Design
<input type="checkbox"/>	Engineering	<input type="checkbox"/>	Forecasting	<input type="checkbox"/>	Conservation
<input type="checkbox"/>	Cost of Service	<input type="checkbox"/>	CIP	<input checked="" type="checkbox"/>	Other

**If you feel your responses are proprietary, please indicate.**

<b>Request Number</b>	
PUC #1	<p>a) Page 1 of your May 8, 2014 comments states: "[J]ust as we were finishing these Comments, we saw that the Department suggested that additional detail regarding some of the elements of our proposal, such as how the avoided energy benefit would be calculated based on historical location marginal prices (LMP's), may be helpful to the Commission."</p> <p>Please elaborate on your proposed methodology for calculating the avoided energy benefit using historical LMPs.</p>

## CERTIFICATE OF SERVICE

I, SaGonna Thompson, hereby certify that I have this day served copies of the foregoing document on the attached list of persons.

by depositing a true and correct copy thereof, properly enveloped with postage paid in the United States mail at Minneapolis, Minnesota;

by email; or

by electronic filing.

**Docket No. E999/CI-11-852 RES Energy Cost Impact Reports**

Dated this 5<sup>th</sup> day of June 2014

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
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