



414 Nicollet Mall
Minneapolis, Minnesota 55401

December 1, 2022

—VIA ELECTRONIC FILING—

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

RE: PROGRESS REPORT
DOCKET NO. E002/M-21-590

Dear Mr. Seuffert:

Northern States Power Company, a Minnesota corporation, doing business as Xcel Energy, submits to the Minnesota Public Utilities Commission this Compliance Filing in accordance with the Commission's January 24, 2022 Order in the above-referenced docket and Minnesota Statute § 216B.2424, subd. 5c(e), which requires that:

Upon approval of the new power purchase agreement, the commission must require periodic reporting regarding progress toward development of a proposal for an electrification project.

St. Paul Cogeneration, LLC (SPC) and the Company have been working on an engineering study to develop an electrification proposal that includes an electrode boiler to provide heat to the District Energy system. The study has identified a 30MW boiler as the most cost-effective option. A 30MW electrode boiler would offset natural gas use that is currently used to supplement the heat supply from the cogeneration facility. The use of biomass, and therefore the amount of wood waste processed by SPC, would be unaffected by the addition of a 30MW electrode boiler. The study will identify the costs and investments necessary to implement the electrification proposal.

In addition, the Company, SPC, the Minnesota Pollution Control Agency, and the Minnesota Department of Commerce have met to discuss the development of a

societal cost-benefit analysis as required by the Commission's Order. The societal cost-benefit analysis will include consideration of the impacts of alternative disposal of wood waste and an alternative heating source for District Energy's customers, in the event SPC discontinues operation if there were no electrification project. SPC will follow this filing with an additional update detailing the stakeholder work that has occurred since February of 2022 to identify alternatives to reduce the cost of biomass fuel used by SPC to generate electricity sold to the Company.

Xcel Energy and SPC, will continue to develop the electrification proposal and analysis of impacts over the coming months. Once we have completed the necessary analysis, we plan to submit a proposal to the Commission for consideration.

We have electronically filed this document with the Commission, and copies have been served on the parties on the attached service list. Please contact me at 612-330-7974 or christopher.j.shaw@xcelenergy.com or Pamela Gibbs at 612-330-2889 or pamela.k.gibbs@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

CHRISTOPHER J. SHAW
MANAGER, REGULATORY POLICY

Service List

cc:

Rep. Rick Hansen
Rep. Josh Heintzeman
Rep. Jamie Long
Rep. Chris Swedzinski
Rep. Patty Acomb
Sen. David Senjem
Sen. Nick Frentz
Sen. Bill Ingebrigtsen
Sen. Patricia Torres Ray

CERTIFICATE OF SERVICE

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

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

xx by electronic filing.

MPUC Docket No: E002/M-21-590

Dated this 1st day of December 2022.

/s/

Joshua DePauw
Regulatory Administrator

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