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

Katie Sieben	Chair
Joseph K. Sullivan	Vice Chair
Hwikwon Ham	Commissioner
Audrey Partridge	Commissioner
John Tuma	Commissioner

In the Matter of Northern States Power Co.
d/b/a Xcel Energy's Petition for Approval of a
Purchased Power Agreement with Panamint
for the Cottage Grove Battery Energy Storage
System Project

DOCKET NOS. E-002/CN-23-212
E-002/RP-24-67

**COMMENTS OF THE OFFICE OF
THE ATTORNEY GENERAL—
RESIDENTIAL UTILITIES DIVISION**

INTRODUCTION

The Office of the Attorney General—Residential Utilities Division (OAG) respectfully submits the following Initial Comments in response to the Public Utilities Commission's Notice of Comment Period issued on December 9, 2025. The Commission's notice requests comment on whether the Commission should approve Northern States Power Co. d/b/a Xcel Energy's power purchase agreement (PPA) for an 80 MW / 320 MWh Battery Energy Storage System (BESS) located in Cottage Grove.

The OAG's comments are limited to three points: (1) a request for clarification from Xcel about the scope of the Cottage Grove BESS PPA as a stated replacement for the Plum Creek project; (2) a reiteration that the Commission should avoid taking any action that could indicate pre-approval of Xcel's likely request to increase its equity ratio in its next rate case as a result of alleged imputed debt from the PPA; and (3) clarification regarding the applicability of the OAG's concerns regarding two other BESSes in docket no. 23-212.

The OAG first seeks clarification on whether Xcel intends for the PPA for the Cottage Grove BESS to be the sole replacement for the withdrawn Plum Creek facility or if Xcel potentially

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seeks to add an additional project in the future. The Plum Creek project was a 230 MW wind facility paired with a 150 MW BESS located in Western Minnesota. Without knowing whether the 80 MW Cottage Grove BESS seeks to fully replace the Plum Creek project, it is difficult to assess its reasonableness or the impact on ratepayers of the full slate of firm dispatchable resources arising from Xcel's stipulation in docket nos. 23-212 and 24-67. The OAG requests that Xcel clarify in reply comments whether it will seek to add additional PPAs to fill the remaining stated need from the Plum Creek project or whether its forecasts have changed to allow for less firm dispatchable resources.

Second, as with the other PPAs, Xcel states that the Cottage Grove BESS PPA will have an estimated impact on its credit metrics through imputed debt.¹ As the OAG explained in its previous comments, this is not the appropriate forum or docket to explore any alleged impacts to Xcel's actual capital structure or ratemaking capital structure, and the Commission should not pre-authorize an increased equity ratio.² In response to the OAG, Xcel agreed that the Commission did not need to take action in this docket but stated it would pursue an increase to its equity ratio in its next rate case.³ As with the other PPAs, the Commission should avoid taking any action that could be interpreted as pre-authorizing an increased equity ratio in this case.

Last, the OAG notes that⁴ **[NOT PUBLIC DATA BEGINS]** 


¹ Cottage Grove BESS Petition at 5 (Dec. 5, 2025).

² OAG Initial Comments Re: Xcel's Request for Approval of PPAs at 16-18 (Oct. 31, 2025).

³ Xcel Reply Comments at 8 (Nov. 12, 2025).

⁴ Because Xcel has designated the PPA for the Cottage Grove BESS as Not Public in its entirety and minimal descriptions of the contract terms are included in Xcel's petition requesting approval of the PPA, the OAG has designated this full discussion as Not Public. In Xcel's reply comments, the OAG requests that Xcel limit its assertion of Not Public designations to information where the designation is necessary so that the Commission can meaningfully deliberate in an open proceeding on this issue.

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The OAG looks forward to reviewing Xcel’s reply comments regarding the above issues.

Dated: December 23, 2025

Respectfully submitted,

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