

STATE OF MINNESOTA  
BEFORE THE  
MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Hwikwon Ham	Commissioner
Valerie Means	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

IN THE MATTER OF THE CERTIFICATE OF  
NEED APPLICATION FOR THE MINNESOTA  
ENERGY CONNECTION PROJECT

DOCKET NO. E002/CN-22-131

**REPLY COMMENTS**

**INTRODUCTION**

Northern States Power Company, doing business as Xcel Energy (Company or Xcel Energy), respectfully submits these Reply Comments pursuant to the Minnesota Public Utilities Commission's (Commission) June 5, 2024 Notice of Comment Period on the Merits of the Certificate of Need Application (Application) for the Minnesota Energy Connection Project (MNEC Project or Project).

In these Reply Comments, Xcel Energy provides responses to comments submitted by the close of the initial comment period on September 6, 2024. Comments were submitted by: Department of Commerce, Division of Energy Resources (DOC-DER); Clean Energy Economic Minnesota (CEEM); Joint Commenters;<sup>1</sup> LIUNA Minnesota and North Dakota (LIUNA); NoCapX 2020; and several members of the public.

For the reasons set forth below, in its initial comments filed on September 6, 2024 (Initial Comments), and documented elsewhere in this record, Xcel Energy continues to respectfully request that the Commission approve the Application on its merits and grant a Certificate of Need for the MNEC Project.

**REPLY COMMENTS**

**A. DOC-DER**

DOC-DER recommended that the Commission approve the Certificate of Need, provided that the environmental impacts detailed in the forthcoming environmental review are acceptable.<sup>2</sup> DOC-DER provided a detailed analysis of the factors under

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<sup>1</sup> Joint Commenters include Citizens Utility Board of Minnesota, Fresh Energy, Minnesota Center for Environmental Advocacy, Center for Rural Affairs, and Clean Grid Alliance.

<sup>2</sup> Comment by DOC-DER (Sept. 6, 2024) (eDocket No. [20249-210008-01](#)).

Minn. R. 7849.0120, as well as policy analysis under additional applicable statutes and rules. DOC-DER also recommended conditions related to Project costs.<sup>3</sup>

We appreciate DOC-DER's detailed review of the Project and its recommendation that a Certificate of Need be approved. With respect to DOC-DER's recommended cost condition, the condition proposed by DOC-DER is generally consistent with the condition proposed by Xcel Energy in our Initial Comments. However, Xcel Energy has proposed that we provide a final number or cap amount within 90 days of the Commission's order determining the Project's route, and DOC-DER's recommended condition would require the final number or cap be provided within 60 days. For this Project, Xcel Energy believes that a 90-day period is better suited to enable the development of refined cost estimates based on final route selection, given the multiple factors at issue for a project of this scope, particularly considering the number of route alternatives under consideration.<sup>4</sup> For example, the additional 30 days will allow us to: update design assumptions, complete preliminary design, and update material costs with vendors based upon the final route selected by the Commission; understand any route-specific state and federal permitting requirements that could impact Project costs; and, adhere to Xcel Energy's governance procedures for financial approvals (which is approximately a 30-day process).

## **B. CEEM, Joint Commenters, & LIUNA**

CEEM, Joint Commenters, and LIUNA each recommended that the Commission approve a Certificate of Need for the Project, highlighting the environmental and socioeconomic benefits of the Project.<sup>5</sup> We appreciate the participation of organizations in this docket and their discussion of the benefits that the Project will provide to Minnesota.

## **C. NoCapX 2020**

NoCapX 2020 does not support the issuance of a Certificate of Need for the Project.<sup>6</sup> First, NoCapX 2020 asserts that preserving valuable interconnection rights "is not a recognized 'need'."<sup>7</sup> NoCapX 2020's comments do not acknowledge the extensive analysis already done by Xcel Energy, DOC-DER, and the Commission regarding the importance of reusing interconnection rights to timely and cost-effectively meet

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<sup>3</sup> Comment by DOC-DER at 31 (Sept. 6, 2024) (eDocket No. [20249-210008-01](#)).

<sup>4</sup> See Initial Comments by Xcel Energy, at Attachment A p. 4 (Sept. 6, 2024).

<sup>5</sup> Comment by CEEM (Sept. 6, 2024) (eDocket No. [20249-210009-01](#)); Comment by Joint Commenters (Sept. 6, 2024) (eDocket Nos. [20249-210016-01](#) and [20249-210016-02](#)); Comment by LIUNA (Sept. 6, 2024) (eDocket No. [20249-210030-01](#)).

<sup>6</sup> Comment by NoCapX 2020 at 1 (Sept. 6, 2024) (eDocket No. [20249-210023-01](#)).

<sup>7</sup> *Id.*

renewable energy goals. This analysis is described further in the Application,<sup>8</sup> and NoCapX 2020 offers no contrary analysis.

Second, NoCapX 2020, discusses “size, type, and timing” and, without support from any qualified expert, asserts that the Project is not appropriately sized, that existing and planned transmission lines could serve the same need as the Project, and that the Company does not need additional generation. The record in this matter refutes each argument. Section V of the Application presents detailed analysis supporting the Project’s size and describes why existing and planned transmission lines do not meet the Project need. In sum, there are no existing or planned transmission lines that can interconnect renewable generation in the location and on the timeline enabled by the Project. In addition, Xcel Energy’s Initial Comments addressed NoCapX 2020’s assertions regarding the Company’s need for additional generation. As discussed in that filing, Xcel Energy’s 2024-2040 Upper Midwest Integrated Resource Plan reaffirms the need for this Project.<sup>9</sup>

#### **D. Members of the Public**

The following members of the public submitted initial comments during the comment period: Jason Pierskalla;<sup>10</sup> Kevin and Erin Donnay;<sup>11</sup> Lisa Dallenbach;<sup>12</sup> Jim, Chris, and Anna Donnay;<sup>13</sup> Brian Rosenow;<sup>14</sup> and, Nathan and Kelsey Pilgram.<sup>15</sup> These comments generally discuss concerns about the need for the Project, renewable energy, and potential human and environmental effects of the Project.

With respect to Project need, the Application provides a robust analysis of the need for the Project. The need for the Project arises from our most recently approved integrated resource plan;<sup>16</sup> the need for the Project is also reaffirmed in the Company’s pending resource plan proceeding. The Project will help meet Minnesota’s and the Company’s renewable energy goals. Finally, the potential human and environmental effects of the Project will be studied in detail in the forthcoming environmental impact

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<sup>8</sup> E.g., CN Application at 13-14.

<sup>9</sup> Initial Comments by Xcel Energy at 6 and 9 (Sept. 6, 2024) (eDocket No. [20249-210022-02](#)).

<sup>10</sup> Comment by Jason Pierskalla (June 6, 2024) (eDocket No. [20246-207473-01](#)).

<sup>11</sup> Comment by Kevin and Erin Donnay (Sept. 11, 2024) (eDocket Nos. [20249-210106-01](#) and [20249-210130-02](#)).

<sup>12</sup> Comment by Lisa Dallenbach (Sept. 10, 2024) (eDocket No. [20249-210102-01](#)).

<sup>13</sup> Comment by Jim, Chris, and Anna Donnay (Sept. 9, 2024) (eDocket No. [20249-210033-01](#)).

<sup>14</sup> Comment by Brian Rosenow (Sept. 9, 2024) (eDocket No. [20249-210035-01](#)).

<sup>15</sup> Comment by Nathan and Kelsey Pilgram (Sept. 9, 2024) (eDocket No. [20249-210037-01](#)).

<sup>16</sup> *In the Matter of the 2020-2034 Upper Midwest Integrated Resource Plan of Northern States Power Company d/b/a Xcel Energy*, MPUC Docket No. E-002/RP-19-368, Order Approving Plan with Modifications and Establishing Requirements for Future Filings (Apr. 15, 2022).

statement to ensure that the Commission has a full record to inform its decision on this Project.

### **CONCLUSION**

The MNEC Project is critical to supporting Xcel Energy's and Minnesota's clean energy transition. Xcel Energy respectfully requests that the Commission approve the Application on its merits and grant a Certificate of Need for the MNEC Project.

Dated: October 8, 2024

Northern States Power Company