

BEFORE THE MINNESOTA OFFICE OF ADMINISTRATIVE HEARINGS  
600 North Robert Street  
St. Paul, MN 55101

FOR THE MINNESOTA PUBLIC UTILITIES COMMISSION  
121 7<sup>th</sup> Place East, Suite 350  
St Paul MN 55101-2147

IN THE MATTER OF THE APPLICATION OF  
NORTHERN STATES POWER COMPANY,  
MINNESOTA D/B/A XCEL ENERGY FOR A  
CERTIFICATE OF NEED FOR ADDITIONAL DRY CASK  
STORAGE AT THE PRAIRIE ISLAND NUCLEAR  
GENERATING PLANT INDEPENDENT SPENT FUEL  
STORAGE INSTALLATION

MPUC Docket No. E002/CN-24-68  
OAH Docket No. 25-2500-39971

**SURREBUTTAL TESTIMONY OF ARI ZWICK**

**ON BEHALF OF**

**THE MINNESOTA DEPARTMENT OF COMMERCE  
DIVISION OF ENERGY RESOURCES**

**MARCH 31, 2025**

SURREBUTTAL TESTIMONY OF ARI ZWICK  
IN THE MATTER OF THE APPLICATION OF NORTHERN STATES POWER COMPANY, MINNESOTA  
D/B/A XCEL ENERGY FOR A CERTIFICATE OF NEED FOR ADDITIONAL DRY CASK STORAGE AT THE  
PRAIRIE ISLAND NUCLEAR GENERATING PLANT INDEPENDENT SPENT FUEL STORAGE  
INSTALLATION

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TABLE OF CONTENTS

| Section                           | Page |
|-----------------------------------|------|
| I. INTRODUCTION.....              | 1    |
| II. RESPONSE TO MR. STANDING..... | 2    |
| III. CONCLUSION .....             | 7    |

1       **I.     INTRODUCTION**

2       **Q.     Would you state your name, occupation and business address?**

3       A.     My name is Ari Zwick. I am employed as a Public Utilities Rates Analyst by the Minnesota  
4             Commerce Department, Division of Energy Resources (DOC or Department). My  
5             business address is 85 7th Place East, Suite 280, St. Paul, Minnesota 55101-2198.

6  
7       **Q.     Are you the same Ari Zwick who filed Direct Testimony on behalf of the Division of**  
8             **Energy Resources of the Minnesota Department of Commerce in this proceeding?**

9       A.     Yes, I filed Direct Testimony regarding Northern States Power Company's (Xcel or the  
10            Company) compliance with Minn. Stat. § 216B.2425 subd. 7.

11  
12       **Q.     What is the purpose of your Surrebuttal Testimony?**

13       A.     The purpose of my Surrebuttal Testimony is to respond to the Rebuttal Testimony of  
14             Xcel Witness, Mr. Jason Standing, regarding Xcel's compliance with Minn. Stat.  
15             § 216B.2425, subd. 7. Mr. Standing responds to a request I made in my Direct  
16             Testimony:

17             In its comments on the 2023 Transmission Projects Report, the  
18             Department concluded that utilities subject to the Minnesota RES  
19             have sufficient capacity acquired to meet the Minnesota RES needs  
20             through 2035. However, the 2023 Transmission Report identifies a  
21             capacity shortfall of 108.5 MW in 2035 for Xcel, despite sufficient  
22             transmission capacity acquisition for the state overall. In addition,  
23             Xcel's 2024 IRP shows a significant increase in load growth  
24             compared to previous planning assumptions:

25  
26             [A]fter adjusting for weather, electric energy requirements  
27             of our system increased at an average of only 0.2 percent  
28             from 2019 to 2022.

1 [...]
2

3 [O]ur base case forecasts now anticipate average annual
4 growth rates of 1.8 percent in our peak demand, and 2
5 percent for our energy forecast over the 2024-2040
6 planning period. This is a marked divergence from what we
7 have anticipated in the past.

8 It is not clear to me whether the 2023 Transmission Report
9 fully accounts for Xcel's new load growth and, given that Xcel
10 already stated a transmission capacity deficit to meet its
11 anticipated RES obligation in the 2023 Transmission Report, I
12 cannot conclude at this time that Xcel is in compliance with Minn.
13 Stat. § 216B.2425, subd. 7.

14 I recommend that Xcel explain how it complies with Minn.
15 Stat. § 216B.2425, subd. 7 in rebuttal testimony.<sup>1</sup> [citations
16 omitted]
17

18 II. RESPONSE TO MR. STANDING

19 Q. What does Minn. Stat. § 216B.2425, subd. 7 require?

20 A. Minn. Stat. § 216B.2425, subd. 7 requires that most high-voltage transmission line
21 owners or operators submit a biennial transmission report, which includes:

22 Transmission needed to support renewable resources. (a) Each
23 entity subject to this section shall determine necessary
24 transmission upgrades to support development of renewable
25 energy resources required to meet objectives under section
26 216B.1691 and shall include those upgrades in its report under
27 subdivision 2.
28

29 Q. If the current CN is denied, how will this denial affect Xcel's ability to comply with
30 Minn. Stat. § 216B.2425 subd. 7?

31 A. A denial of the current CN will negatively impact Xcel's ability to comply with Minn. Stat.
32 § 216B.2425, subd. 7. Prairie Island Nuclear Generation Plant (Prairie Island or PINGP)

<sup>1</sup> Ex. DOC-\_\_ at 14-15 (Zwick Direct).

1 operated at a capacity factor of 95 percent between 2020 and 2022,<sup>2</sup> while the average  
2 Minnesota wind capacity factor in 2023 was 33.4 percent.<sup>3</sup> This disparity in capacity  
3 factors means that if PI were to retire, a minimum of approximately two times as much  
4 transmission would be needed to deliver the same amount of carbon-free electricity as  
5 PI to satisfy the Carbon-free Standard (CFS).<sup>4</sup>

6 It is not in the interest of the Department to obstruct the approval of the current  
7 CN, because the result would be counterproductive in terms of compliance with Minn.  
8 Stat. § 216B.2425 subd. 7.

9  
10 **Q. To which of Mr. Standing's conclusions and recommendations do you respond?**

11 A. I respond to two central claims made by Mr. Standing. The first claim is that the  
12 Department's use of the Gap Analysis included in the 2023 Biennial Transmission  
13 Report<sup>5</sup> to determine compliance with Minn. Stat. § 216B.2425, subd. 7 is wrong. The  
14 second claim is that Xcel is in compliance with Minn. Stat. § 216B.2425 subd. 7.

15  
16 **Q. What problems does Mr. Standing identify with the Department's use of the Gap**  
17 **Analysis in the Biennial Transmission Report?**

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<sup>2</sup> *In the Matter of the Application of Xcel Energy for a Certificate of Need for Additional Dry Cask Storage at the Prairie Island Nuclear Generating Plant Independent Spent Fuel Storage Installation*, MPUC Docket No. E002/CN-24-68, Petition at 10 (Feb. 7, 2024) (eDockets No. [20242-203185-04](#)).

<sup>3</sup> US Energy Information Administration (EIA). *Minnesota State Profile and Energy Estimates. Table F38: Capacity factors and usage factors at electric generators: total (all sectors), 2023*. (Accessed on March 20, 2025). Available at: [https://www.eia.gov/state/seds/data.php?incfile=/state/seds/sep\\_fuel/html/fuel\\_cf.html&sid=MN](https://www.eia.gov/state/seds/data.php?incfile=/state/seds/sep_fuel/html/fuel_cf.html&sid=MN).

<sup>4</sup> This figure assumes that the full transmission rights could be replaced with wind resources, which not guaranteed.

<sup>5</sup> *In the Matter of the 2023 Minnesota Biennial Transmission Projects Report*, MPUC Docket No. E999/M-23-91, Minnesota Transmission Owners (MTO), REPORT (Nov. 1, 2023) (2023 Biennial Transmission Report) (eDockets No. [202311-200147-08](#)).

1 A. Mr. Standing provides the following statement:

2 Q. DID THE BIENNIAL TRANSMISSION REPORT IDENTIFY A  
3 SHORTFALL WITH RESPECT TO TRANSMISSION?  
4

5 A. No. Witness Zwick's testimony focuses on Table 2 at p. 223 of  
6 the Biennial Transmission Report. See the Department's response  
7 to Xcel Energy's Information Request No. 1, provided as  
8 Exhibit\_\_\_(JTS-1), Schedule 2. Table 2 is a part of a "Gap Analysis"  
9 included in the Biennial Transmission Report. Table 2 indicates  
10 that, at the time of that report submittal, the Company was  
11 expected to be 108.5 megawatts (MW) short of meeting its  
12 renewable energy standard (RES) requirements in 2035. This  
13 testimony does not indicate a transmission capacity deficit, as  
14 witness Zwick incorrectly stated in his testimony at p. 15.<sup>6</sup>  
15

16 Q. Do you have any concerns with this assessment?

17 A. Yes. I do not dispute the accuracy of Mr. Standing's assessment, however Mr. Standing's  
18 testimony highlights a deficiency in reporting for Minn. Stat. § 216B.2425, subd. 7. My  
19 understanding is that the Gap Analysis included in the Biennial Transmission Report is  
20 used as an input to transmission planning, where gaps in generation highlight the  
21 potential need for transmission upgrades to build the new generation needed, as  
22 required by Minn. Stat. § 216B.2425, subd. 7. However, the attribution of transmission  
23 projects to generation needs that result from Minn. Stat. § 216B.1691 compliance  
24 outlined in the Biennial Transmission Report is not clear.

25 The context provided by Mr. Standing's Rebuttal Testimony led me to reevaluate  
26 my use of the Gap Analysis to assess Xcel's compliance with Minn. Stat. § 216B.2425,  
27 subd. 7 for purposes of evaluating the CN application. I now agree that the Gap Analysis

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<sup>6</sup> Ex. Xcel-\_\_\_ at 2-3 (Standing Rebuttal).

1 is not an appropriate indicator of the transmission needed to support renewable  
2 resources. I additionally conclude that the current proceeding is not the appropriate  
3 venue to advocate for changes needed to further detail Minn. Stat. § 216B.2425, subd. 7  
4 compliance within the Biennial Transmission Report. The Department intends to seek  
5 modifications to the Biennial Transmission Report submission requirements in the  
6 upcoming 2025 Biennial Transmission Report in Docket. No. E999/M-25-99.  
7

8 **Q. What does Mr. Standing conclude about Xcel's compliance with Minn. Stat.**  
9 **§ 216B.2425 subd. 7?**

10 A. Mr. Standing provides the following statement:

11 Q. IN YOUR OPINION, IS THE COMPANY IN COMPLIANCE WITH  
12 § 216B.2425, SUBD. 7?  
13

14 A. Yes. The Company included the transmission upgrades necessary  
15 to meet its obligations under Minn. Stat. § 216B.1691 in the 2023  
16 Biennial Transmission Report, as required by section 216B.2425,  
17 subd. 7. The Company engages in long-range transmission (LRT)  
18 planning through the Midcontinent Independent System Operator  
19 (MISO) LRT Tranche 1 and 2 planning processes. MISO Tranche 1  
20 projects are slated for implementation by 2031, and MISO Tranche  
21 2 projects are slated for implementation by 2035. The Company has  
22 filed Certificates of Need for a number of transmission projects  
23 included in Tranche 1 and has filed Notice of Intent (NOI) letters for  
24 the Tranche 2 projects. In addition, we are pursuing transmission  
25 investments to allow us to re-utilize the available interconnection  
26 at the retiring Sherco and King plants, allowing for the  
27 interconnection of new renewable resources. As set forth in the  
28 2024 IRP, the Company is on track to comply with all of the various  
29 generation capacity requirements covered by Minn. Stat.  
30 § 216B.1691. Further, based on its participation in the MISO LRT  
31 Tranche 1 and 2 projects and planned transmission investments to  
32 re-utilize existing interconnection rights, the Company does not  
33 anticipate any transmission shortfall with respect to the generation

required under the requirements included in Minn. Stat. § 216B.1691.<sup>7</sup> [citations omitted]

**Q. Do you have any concerns with this assessment?**

A. No. In his Rebuttal Testimony, Mr. Standing certifies that all transmission upgrades necessary for Xcel to meet Minn. Stat. § 216B.1691 compliance are included in the 2023 Biennial Transmission Report, which fulfills Xcel's statutory obligation.

My original concern related to future RES<sup>8</sup> and CFS<sup>9</sup> compliance regarding Minn. Stat. § 216B.2425, subd. 7. Mr. Standing lists additional transmission projects that will assist Xcel in its ability to meet enhanced RES and CFS compliance goals in the future. Specifically, Xcel plans to add 2,800 MW of wind and 400 MW of solar at the Sherco and King interconnections, respectively.<sup>10</sup> All other pending projects aside, these two projects alone will enable Xcel to meet its near-term Minn. Stat. § 216B.1691 compliance requirements.

Finally, I note that Mr. Standing does not quantify Xcel's compliance with Minn. Stat. § 216B.2425, subd. 7. While I conclude that Mr. Standing's response is appropriate to determine Xcel's compliance with Minn. Stat. § 216B.2425, subd. 7 for purposes of the current proceeding, my conclusion should not be interpreted to mean that all future compliance determinations regarding Minn. Stat. § 216B.2425, subd. 7 should be made in a similar manner. Transmission hosting capacity for generation is a quantifiable

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<sup>7</sup> Ex. Xcel-\_\_ at 4-5 (Standing Rebuttal).

<sup>8</sup> Statutorily defined as the Eligible Energy Technology Standard (EETS), as modified by H.F. 7 (2023).

<sup>9</sup> Minn. Stat. § 216B.1691 subd. 2g.

<sup>10</sup> *In the Matter of Xcel Energy's 2024-2040 Integrated Resource Plan*, MPUC Docket No. E002/RP-24-67, Minnesota Department of Commerce, Comments at 5 (Aug. 9, 2024) (Department Comments on Xcel 2024 IRP) (eDockets No. [20248-209394-02](#)).



metric, as is REC generation and total retail electric sales. Together these metrics comprise all of the components necessary to determine compliance with Minn. Stat. § 216B.1691 and Minn. Stat. § 216B.2425, subd. 7, which are both required in a certificate of need proceeding by Minn. Stat. § 216B.243, subd. 3 (10). I do not recommend a quantification of transmission hosting capacity in the current proceeding because there will be a need for regulatory process development that is beyond the scope of this proceeding. As I state at the beginning of my Surrebuttal Testimony, it would be counterproductive to deny the current petition on the basis of transmission capacity. Therefore, I can determine at this time that Mr. Standing's testimony is sufficient to demonstrate Xcel's compliance with Minn. Stat. § 216B.2425, subd. 7 for the purposes of this proceeding.

### **III. CONCLUSION**

**Q. Please provide your conclusions.**

A. I conclude that Xcel has demonstrated its compliance with Minn. Stat. § 216B.243, subd. 3(10), which requires that the Company demonstrate compliance with Minn. Stat. § 216B.1691 and Minn. Stat. § 216B.2425 subd. 7.

**Q. Have you completed your Surrebuttal Testimony?**

A. Yes.