

**In the Matter of the Application of Xcel Energy for a Certificate of Need, Site Permit,  
Transmission Line Route Permit, and Pipeline Route Permit for the Lyon County  
Generating Station in Lyon County, Minnesota**

**PUC Docket Numbers: E002/CN-25-145; G002/GS-25-154; E002/TL-25-161;  
G002/GP-25-163**

**CAH Docket Number: 5-2500-41123**

**Comments**

LIUNA Minnesota and North Dakota (“LIUNA”) appreciates the opportunity to comment on the applications submitted by Xcel Energy (“Xcel”) for a Certificate of Need, Site Permit, Transmission Line Route Permit, and Pipeline Route Permit for the construction of the Lyon County Generating Station and associated infrastructure. In our view, Lyon County Generating Station will be a critical reliability tool, providing both dispatchable capacity and voltage support needed to firm large additions of variable wind and solar generation.

The recent experience of Winter Storm Fern underscores the importance of each utility possessing enough dispatchable capacity to meet winter demand that will only grow as Minnesota residents and businesses increase use of electric vehicles and electrify building heat. The record in this proceeding, and in Xcel’s Integrated Resource Plan and Firm Dispatchable Request for Proposal proceedings, clearly shows that Xcel cannot ensure reliable power while retiring remaining coal units without new gas peaking resources to complement wind, solar, batteries, and nuclear power. The Lyon County terminus of the Minnesota Energy Connection is the ideal location for such a resource, first due to the support it can deliver to the operation of the line, and second, because locating a peaker plant in a rural area minimizes impacts and maximizes the plant’s value in firming power from adjacent wind and solar generation.

Approval of Lyon County Generating Station is consistent with the requirements of Minnesota’s Carbon-Free Standard, which is explicitly designed to allow for continued use of fossil fuel generation when necessary to ensure reliability as long as the resulting emissions are offset either by the purchase of carbon-free energy credits or by net exports of carbon-free electricity to Midcontinent Independent System Operator or Southwest Power Pool markets. While it is possible hydrogen can be employed as a clean fuel to reduce emissions associated with the Lyon County Generating Station will ultimately operate, it is also conceivable that the plant will continue to operate on natural gas when needed to keep the lights on.

In addition to ensuring system reliability, construction and operation of Lyon County Generating Station will create employment and career opportunities in an area of the state where access to high-quality jobs has been limited. LIUNA has reviewed comments filed by Xcel on February 4, 2026 in which the utility indicates that labor costs for construction could exceed initial contractor estimates. As Xcel explains in the comments, the additional costs are attributable in significant part to potential need to bring skilled workers from higher-wage markets such as the Twin Cities metropolitan area. While we believe that it is reasonable to adjust the project budget in order to

ensure availability of skilled labor, maximizing use of local workforce will clearly deliver the best outcome for both host communities and ratepayers, so we appreciate Xcel's commitment to work with the Minnesota Building and Construction Trades on a workforce development plan to support not just Lyon County Generating Station but also hundreds of megawatts of wind generation and miles of transmission.

We look forward to working with Xcel to build and commission this critical energy asset and urge the Commission to approve the project.

Dated: February 12, 2026

Respectfully Submitted,  
LIUNA Minnesota & North Dakota

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