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In the Matter of Xcel Energy's Competitive Resource Acquisition Process for Up to 800 Megawatts of Firm Dispatchable Generation

Dockets No. E002/CN-23-212, E002/M-24-195

In the Matter of Xcel Energy's Upper Midwest Integrated Resource Plan

Docket No. E002/RP-24-67

**COMMENTS OF THE  
MINNESOTA DEPARTMENT  
OF COMMERCE ON INVENERGY'S  
REQUEST FOR ACTION**

The Department submits these comments on Invenergy's request for the Commission to order Xcel to resume good-faith negotiations on a Power Purchase Agreement (PPA) for the Lake Wilson Solar and Storage project.<sup>1</sup> The Department appreciates the concerns both Xcel and Invenergy have highlighted in their filings regarding the risks to ratepayers that may arise from Xcel pursuing, or not pursuing, a PPA for the Lake Wilson project. The Department believes that additional data is needed to fairly assess the parties' positions. Because there was not enough time for the Department to send discovery and receive responses before submitting these comments, the Department has attached Information Requests so the record can be adequately developed in advance of any Commission decision on Invenergy's request.

<sup>1</sup> Invenergy Response and Request for Action at 1-2 (Nov. 10, 2025) (eDocket No. 202511-224826-01).

## BACKGROUND

Last spring, the Commission issued an order approving a settlement authorizing Xcel Energy to proceed with two self-build projects and the negotiation of Power Purchase Agreements (PPAs) for five additional projects providing firm dispatchable resources.<sup>2</sup> This fall, Xcel filed a petition requesting approval of PPAs for three of those projects.<sup>3</sup> Xcel noted that a fourth project had been withdrawn from the settlement agreement by its developer, and explained that it was continuing to negotiate the terms of a PPA with Invenergy for Lake Wilson Solar and Storage project, the fifth project selected in the settlement agreement.<sup>4</sup> On October 31, Xcel filed comments with the Commission stating that the Company had been unable to reach an agreement with Invenergy on the terms of a PPA for the Lake Wilson project and was ceasing negotiations.<sup>5</sup> Invenergy then requested the Commission order Xcel to resume good-faith negotiations on a PPA for the Lake Wilson project.<sup>6</sup> Invenergy noted that the Commission's order approving the settlement requires Xcel to make a filing explaining the lack of agreement on a PPA, and the bidding party to file any response and request for action within ten days.<sup>7</sup> The Commission invited parties to comment on whether the Commission should require Xcel to resume negotiations in good faith with Invenergy for the Lake Wilson Solar Energy Center.<sup>8</sup>

<sup>2</sup> ORDER APPROVING SETTLEMENT AGREEMENT WITH MODIFICATIONS at Order Points 11-17 (Apr. 21, 2025) (eDocket No. 20254-217941-01) (ORDER).

<sup>3</sup> Xcel Petition for Approval of PPAs for Firm Dispatchable Resources at 2 (Sept. 29, 2025) (eDocket No. 20259-223366-02) (Xcel PPA Petition). One of the three PPAs is an extension of Xcel's current PPA with Invenergy for the Cannon Falls natural-gas combustion turbine project. *Id.* at 2, 18.

<sup>4</sup> *Id.* at 3.

<sup>5</sup> Xcel Comments – Update on Lake Wilson and Plum Creek Replacement at 1-2 (Oct. 31, 2025) (eDocket No. 202510-224524-01) (Xcel Lake Wilson Update).

<sup>6</sup> Invenergy Response and Request for Action at 1-2 (Nov. 10, 2025) (eDocket No. 202511-224826-01).

<sup>7</sup> *Id.* at 1, citing ORDER at Order Point 18.

<sup>8</sup> NOTICE SEEKING COMMENTS ON INVENERGY'S REQUEST FOR ACTION (Nov. 17, 2025) (eDocket No. 202511-225011-01).

## ANALYSIS

The settlement agreement, and the Commission order approving the settlement with additional conditions, selected projects to move forward to the PPA negotiation stage, but did not guarantee that a PPA would be reached, or approved, for any particular project. Despite the absence of such a guarantee, however, the Commission provided clear guidance that it expected the Company and the bidding parties to move forward in good faith, and that parties who did not reach a PPA would need to explain to the Commission why a selected project was not moving forward.<sup>9</sup> While Xcel’s filings regarding the Lake Wilson project have put forth reasons that may justify ceasing negotiations without reaching a PPA, additional evidence is needed to evaluate those claims.

Xcel initially told the Commission that it was continuing “to evaluate and negotiate Invenergy’s bid for the Lake Wilson Solar and Storage project.”<sup>10</sup> The Company stated that the Lake Wilson project “is in early-stage development” and noted that Invenergy “was unable to maintain the pricing in the original proposal.”<sup>11</sup> While Xcel noted that it was evaluating “the project’s viability, taking in consideration multiple price increases following bid submission, and other challenges that could materially affect the overall value and feasibility of the project,” it did not provide further information about its concerns at that time.<sup>12</sup> Although Invenergy’s price increases for the Lake Wilson project were presented by Xcel as one of the primary reasons it had not reached a PPA, Xcel increased the price for its self-build options before the settlement

<sup>9</sup> See ORDER at Order Point 18.

<sup>10</sup> Xcel PPA Petition at 3.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.*

agreement was approved,<sup>13</sup> and included price increases for two of the PPAs it submitted for Commission’s approval.<sup>14</sup>

After Invenergy filed its response and request for action, Xcel “clarif[ied]” that “the project’s intermittent solar component and solar to storage ratio have been a primary impairment to the project from the onset, and would exacerbate congestion in the project area.”<sup>15</sup> While Xcel stated that it had sought “solutions that could make the project viable under terms that are in the best interest of our customers,” it did not provide any additional information regarding its concerns on the project’s solar to storage ratio or impact on congestion in the project area.<sup>16</sup>

Although the reasons Xcel has put forward may justify no longer pursuing the Lake Wilson project as contemplated by the settlement agreement, those claims are not yet adequately supported. For the reasons explained below, the Department requests that Xcel provide additional information to support a reasoned decision on Invenergy’s request.

**I. ADDITIONAL INFORMATION ON LAKE WILSON’S IMPACT ON AREA CONGESTION SHOULD BE PROVIDED.**

The severe substation and transmission congestion in the area of the Lake Wilson project has been cited as an issue in reaching a PPA.<sup>17</sup> While congestion in the project area should be taken into account in evaluating Invenergy’s request, there is no evidence in the record demonstrating the expected impact of the Lake Wilson project on congestion at the Nobles County Substation.

<sup>13</sup> Joint Settlement Agreement at 4 (Oct. 3, 2024) (eDocket No. 202410-210671-01).

<sup>14</sup> Xcel PPA Petition, Attachment E. The third PPA submitted, for the North Star BESS, is for more capacity (100 MW) than the original bid (80 MW), but at a lower per-unit price. *Id.* at 27.

<sup>15</sup> Xcel Reply Comments at 9 (Nov. 12, 2025) (eDocket No. 202511-224886-01).

<sup>16</sup> *Id.*

<sup>17</sup> *Id.*

The Department notes that there are several causes for the severe congestion. One cause is the fact that, in the past, generation projects moved through the Midcontinent Independent System Operator, Inc. (MISO) generation interconnection queue (GIQ) without adequate consideration of the impacts of congestion. As a result, generation projects were able to be constructed with inadequate transmission fixes, thus aggravating the existing congestion issues in the area. Without fixing the inadequacies of MISO's GIQ solutions to the congestion fixes utilities implement could be overwhelmed by even more generation projects getting sited in the region. The Department acknowledges that Xcel worked with MISO to implement a solution, which is known as the distribution factor (DFAX) reduction.<sup>18</sup> The DFAX reduction may fix the problem of MISO allowing projects to move through the GIQ with inadequate transmission fixes.

Invenergy's request argued that the Lake Wilson project will alleviate congestion in the area because it offers a utility-scale battery "in an advanced stage of development" in an area with congestion caused by high levels of local wind energy production.<sup>19</sup> Invenergy also notes "that solar and wind generation have different generation profiles that can be complimentary."<sup>20</sup> In contrast, Xcel states that the project "would exacerbate congestion in the [...] area."<sup>21</sup> Neither party offered objective evidence quantifying its claims.

Modeling congestion is a difficult task, and one that cannot be accomplished using the EnCompass software the modeling parties used to evaluate resource needs and develop recommendations in this docket. As a result, the Department cannot rely on the modeling it has

<sup>18</sup> An example of the discussion amongst parties, highlighting the pros and cons regarding the DFAX reduction and MISO's views on DFAX, is available here: [DFAX Reduction Feedback](#). This presentation also makes clear that Xcel was a prime mover in terms of getting MISO to adopt a DFAX reduction in the GIQ process analysis.

<sup>19</sup> Invenergy Response and Request for Action at 5.

<sup>20</sup> *Id.*

<sup>21</sup> Xcel Reply Comments at 9.

already conducted to evaluate the parties' positions on this topic. Without modeling results, or sufficient information provided by the parties, the Department cannot evaluate the parties' competing claims regarding the congestion impact of the Lake Wilson project. To allow the Commission to make a decision on the basis of an adequate record, the Department has identified the information it believes is necessary to evaluate these claims in Information Requests to Xcel included as Attachment A.

Xcel also cites the project's solar-to-storage ratio as an impediment to reaching a PPA that would be in the best interests of its ratepayers.<sup>22</sup> Invenergy's bid included options for a 20 MW battery energy storage system (BESS), for which it already had an executed Generation Interconnection Agreement (GIA) with the Midcontinent Independent System Operator (MISO), and for a 95 MW BESS, with a pending GIA application for the additional 75 MW of surplus interconnection.<sup>23</sup> The settlement agreement selected the 95 MW BESS version of the project to move forward for PPA negotiations. Based on conversations with Xcel, the Department's understanding is that the Company views the 95 MW BESS as insufficient to meaningfully address the congestion concerns given the size of Lake Wilson's solar component. While the Department has concerns that this issue was not identified earlier, the Department is interested in whether there is a viable path to a PPA if this ratio can be adjusted.

**II. ADDITIONAL INFORMATION ON THE PRICING, TIMING, AND CERTAINTY OF ALTERNATIVE REPLACEMENT PROJECTS SHOULD BE PROVIDED.**

A utility's acquisition of resources to meet reliability requirements and minimize exposure to market uncertainty requires careful balancing of multiple factors. While pricing is a key component, so too is the certainty that a resource being considered will actually be made available

<sup>22</sup> Xcel Reply Comments at 9.

<sup>23</sup> Invenergy Lake Wilson Storage Proposal at ii (Jan. 23, 2024) (eDocket No. 20241-202494-02).

in time. Similarly, bidders must have sufficient confidence in the resource acquisition process to justify the outlay of time and resources required to participate, while customers are harmed if utilities are required to reach an agreement regardless of changes to a bid after a proposal moves forward. It is possible that a PPA for the Lake Wilson project cannot be reached without Xcel accepting terms that are less favorable to its ratepayers than could be obtained through alternative projects. As with the congestion issue, however, Xcel has not yet offered sufficient evidence for the Commission to meaningfully evaluate the competing claims being offered by Xcel and Invenergy.

The price for the Lake Wilson project, like the price for the resources that were selected in the settlement agreement, has increased since initial bids were submitted in January 2024. As noted by Xcel, these cost increases are attributable, at least in part, to “[g]lobal supply chain disruptions, growing demand, labor market constraints, higher interest rates, evolving trade policies, and new tax regulations are collectively driving up the cost of project development and operations.”<sup>24</sup> These same pressures apply to projects that were not bid into the 23-212 resource acquisition docket, but which Xcel is now considering as alternative resources to meet the demand that would otherwise be supplied by the Lake Wilson project.

The Department’s understanding is that Xcel’s concerns with the price for the Lake Wilson project involve the interaction between **[HIGHLY CONFIDENTIAL TRADE SECRET BEGINS ...]**

**[...HIGHLY CONFIDENTIAL TRADE SECRET ENDS].** Given that Invenergy selected the size and location of the Lake Wilson project the Department believes **[HIGHLY CONFIDENTIAL TRADE SECRET BEGINS...]**

<sup>24</sup> Xcel PPA Petition at 6.

[REDACTED]

[REDACTED]

[REDACTED] ...HIGHLY CONFIDENTIAL

**TRADE SECRET ENDS].**

While pricing for the Lake Wilson project is important, it should not be viewed in isolation. Xcel has not offered any evidence on pricing and risks of alternative projects that could replace the Lake Wilson project, nor on the likelihood of those projects' relatively likelihood of being available to the Company in time to meet demand. The Department believes this information is needed in order to assess whether it is in ratepayers' interests for Xcel to be required to continue negotiating a PPA for the Lake Wilson project.

### **III. TIMELY ACTION IS ESSENTIAL TO PROTECT RATEPAYER INTERESTS.**

As Invenergy has noted in its request, there is a limited window remaining in which to finalize a PPA before federal tax credits will expire.<sup>25</sup> Alternatively, if there is not a viable path to a PPA that is mutually acceptable to Xcel and Invenergy, it is important for Xcel to be able to take timely action to line up replacement resources to meet its reliability needs. The Department's narrowly focused IRs are intended to provide sufficient information to make a decision on Invenergy's request without causing delays in the Commission's consideration of this matter.

### **CONCLUSION**

There is insufficient information in the record for the Department to make a recommendation on whether Invenergy's request for the Commission to order Xcel to resume negotiations should be granted. The Department respectfully requests that Xcel respond to the

<sup>25</sup> Invenergy Response and Request for Action at 2.

attached information requests to enable the Commission to make an informed decision on Invenergy's request.

Dated: November 24, 2025

Respectfully submitted,

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State of Minnesota  
Attorney General

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Information Request

**Docket Number:** E002/CN-23-212

Nonpublic  Public

**Requested From:** Christine Marquis, Xcel Energy

Date of Request: 11/24/2025

**Type of Inquiry:** General

Response Due: 12/8/2025

**SEND RESPONSE VIA EMAIL TO:** [Utility.Discovery@state.mn.us](mailto:Utility.Discovery@state.mn.us) as well as the assigned analyst(s).

**Assigned Analyst(s):** Steve Rakow

**Email Address(es):** stephen.rakow@state.mn.us

**Phone Number(s):** 651-539-1833

**ADDITIONAL INSTRUCTIONS:**

Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

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**Request Number:** 8

**Topic:**

**Reference(s):** Xcel's November 12, 2025 Reply Comment

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**Request:**

Xcel's November 12, 2025 Reply Comment states "the [Lake Wilson] project's intermittent solar component and solar to storage ratio have been a primary impairment to the project from the onset, and would exacerbate congestion in the project area."

Please explain:

- A. How the "intermittent solar component and solar to storage ratio" would be an impairment to a project.
- B. How the "intermittent solar component and solar to storage ratio" would exacerbate congestion.

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To be completed by responder

Response Date:

Response by:

Email Address:

Phone Number:



Minnesota Department of Commerce  
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---

**Request Number:** 9

Topic:

Reference(s): Xcel's November 12, 2025 Reply Comment

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**Request:**

Xcel's November 12, 2025 Reply Comment states "the [Lake Wilson] project's intermittent solar component and solar to storage ratio have been a primary impairment to the project from the onset, and would exacerbate congestion in the project area."

Please provide:

- A. The hourly Locational Marginal Prices (LMP), for a three year period, for
  - 1) the node the Lake Wilson project would use or a nearby node that would represent the Lake Wilson project; and
  - 2) Xcel's main load node.
- B. An explanation of how Xcel estimated the impact of the Lake Wilson project on existing congestion in the project area and the results of the estimation.
- C. A list of the generation and load that, in Xcel's estimation, would be impacted by Lake Wilson.

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To be completed by responder

Response Date:

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Phone Number:



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**Request Number:** 10

Topic:

Reference(s): Xcel's November 12, 2025 Reply Comment

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**Request:**

Xcel's November 12, 2025 Reply Comment states, "Further discussions [on a Lake Wilson PPA] would not be productive and would detract from the work of our PPA team to secure other resources that are in the best interests of Xcel Energy customers."

Please identify the possible resources being considered by Xcel's PPA team to replace the Lake Wilson project, including the location of the project, the capacity being offered, when the capacity is expected to be available, and pricing information, if available.

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To be completed by responder

Response Date:

Response by:

Email Address:

Phone Number: