STATE OF MINNESOTA BEFORE THE PUBLIC UTILITIES COMMISSION

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In the Matter of the Application of Xcel Energy for a Certificate of Need for Two Gen-Tie Lines from Sherburne County to Lyon County, Minnesota

MPUC Docket No. E002/CN-22-131

SUMMARY OF CERTIFICATE OF NEED FILING

On March 9, 2023, Northern States Power, doing business as Xcel Energy (Xcel Energy or Company), filed an application with the Minnesota Public Utilities Commission (Commission) for a Certificate of Need to construct the Minnesota Energy Connection Project (MN Energy Connection or Project). The Project consists of two approximately 160- to 180-mile 345 kilovolt transmission lines and associated facilities connecting the Sherburne County Generation Station Substation (Sherco Substation) in Becker, Minnesota, and a new substation in Lyon County, Minnesota. The Project will also include an intermediate substation and a substation to house voltage support equipment.

Xcel Energy proposes that the two lines will be located on the same set of structures (i.e., a double-circuited transmission line). The Project will be able to connect at least 2,200 megawatts (MW) of generation and deliver (after losses) 2,000 MW to the Sherco Substation.

The Project is part of Xcel Energy's most recently approved Upper Midwest Integrated Resource Plan, which will reduce carbon emissions more than 85 percent from 2005 levels by 2030 and help the Company deliver 100 percent carbon-free electricity. Xcel Energy will achieve these goals by retiring coal plants in the Upper Midwest, including the three Sherco units totaling approximately 2,000 MW of coal-fired generation, and adding significant amounts of renewable energy. Connecting the

new renewable energy to the Sherco Substation enables Xcel Energy to reuse valuable and existing transmission interconnection rights. To retain these interconnection rights, Xcel Energy must own the replacement generation and meet certain milestones associated with the replacement of resources following the retirement of the Sherco units on deadlines dictated by the Midcontinent Independent System Operator, Inc.

The Project proposed in this Application (and the generation that will connect to it) is needed to enable the full reutilization of the Company's interconnection rights at Sherco. The Company plans to place the Project in-service in the third quarter of 2027.

A copy of the Certificate of Need Application can be found on the Commission's website at http://mn.gov/puc/ by clicking on "eDockets" on the right side of the website, entering "22" and "131" in the "Docket Number" boxes, and the clicking "Search". A copy of the application will also be available on the Project's website: www.xcelenergy.com/MNEnergyConnection.