

**STATE OF MINNESOTA  
BEFORE THE PUBLIC UTILITIES COMMISSION**

Katie Sieben, Chair  
Joseph K. Sullivan, Vice Chair  
Valerie Means, Commissioner  
Matthew Schuerger, Commissioner  
John Tuma, Commissioner

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In the Matter of Xcel Energy’s 2019 – 2034  
Upper Midwest Integrated Resource Plan

Docket No. E002/RP-19-368

Supplemental Comments of the  
Monticello Labor Coalition

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These comments are filed on behalf of the Minnesota Building & Construction Trades Council, Pipefitters Local 539, and Construction & General Laborers Local 563, (collectively, “Monticello Labor Coalition”) in response to the Commission’s request for supplemental comment on Xcel Energy’s Alternative Plan.

The Monticello Labor Coalition continues to support Xcel’s proposal to extend operation of its 671 MW Monticello nuclear facility by 10 years as part of its pending Integrated Resource Plan (“IRP”). If anything, the Alternative Plan’s removal of the initially proposed 800 MW combined cycle gas plant at the Sherco site increases the importance of extending the Monticello facility.

In our reply comments, we referred to the proposed 10-year extension of Monticello as “probably the single most important and consequential component of its pending resource plan.” As we stated in our reply comments, extending Monticello is essential to ensure Xcel’s ability to meet its carbon reduction goals while simultaneously continuing to meet the high standards of reliability and resilience that Minnesota rightly expects from its public utilities. At the same time, extending Monticello will contribute enormously to the State’s economy and the economic vitality of the region where it is located while mitigating the negative impact of planned coal plant retirements.

Xcel Energy’s Alternative Plan still contemplates early retirement of its two remaining coal plants, which currently provide 2400 MW of highly reliable baseload generation as well as a significant number of family-supporting jobs and financial benefits to the local communities in which they are located. However, the Alternative Plan no longer includes

the initial IRP's 800 MW combined cycle plant to ensure system reliability and mitigate the job and economic losses associated with the early coal plant retirements. Therefore, the reliability, jobs and economic support provided by the Monticello plant will become even more important under the Alternative Plan.

Importantly, Xcel Energy has included the 10-year extension Monticello Plant extension in its Alternative Plan. The Monticello Labor Coalition urges the Commission to make sure that the 10-year Monticello Plant extension is included in any Xcel Energy IRP it approves. Under both the initial and alternative versions of Xcel Energy's IRP, the Monticello and Prairie Island Plants will provide the only significant non-intermittent, carbon-free generation on Xcel Energy's system. Those nuclear plants will be even more critical for reliability, economic support and employment under the Alternative Plan.

Accordingly, the Monticello Labor Coalition supports both Xcel's Alternative Plan and its previous IRP. To the extent the Commission modifies the Alternative Plan, we strongly urge the Commission to retain the 10-year Monticello Plant extension. The record fully supports the proposed extension without the need for any further qualitative or quantitative analysis. As we indicated in our Reply Comments, extending the Monticello plant is a critical hedge against risks to reliability, carbon reduction and affordability. Declining to approve the proposed extension as part of Xcel's IRP would pose an unacceptably high risk to Minnesota energy consumers and the public interest generally in at least the following ways:

1. ***It would jeopardize the State's energy decarbonization efforts*** by creating the need for incrementally more carbon-emitting generation resources to replace the substantial baseload contribution of the Monticello plant with its plus 95% capacity factor.
2. ***It would jeopardize the resiliency/reliability of Xcel's system and expose Xcel customers to more economic risk*** by eliminating a major source of highly reliable baseload generation and important fuel diversity. Monticello's around-the-clock reliability and contribution to fuel diversity helps insulate Xcel's system and customers from extreme weather events, fuel-supply disruptions, and gas commodity price spikes.
3. ***It would jeopardize Xcel's ability to control costs and ensure affordable service over time.*** As applied to its initial plan, with the Sherco combined cycle plant, Xcel's modeling indicated that all the least-cost scenarios included extensions of

Prairie Island and Monticello.<sup>1</sup> It is likely that the economics of extending Monticello are even more favorable under the Alternative Plan. Continued operation of the Monticello Plant provides an important hedge against the more exposure to the price volatility associated with other generation resources.

4. ***It would jeopardize hundreds of family-supporting jobs as well as the enormous local and statewide economic and social benefits that flow from the operation of the Monticello Plant.*** The Monticello Plant provides a source of economic security for the families of those employed at the plant while also generating economic stimulus and tax revenues for local communities. The proposed extension of the Monticello license would extend those benefits and help to mitigate the potentially devastating local impact of coal unit retirements.

### **CONCLUSION**

The Monticello plant provides essential carbon-free reliability and stability to Xcel's system. It also produces enormous socioeconomic benefits for Minnesota, including hundreds of family-supporting jobs, investments in health care, retirement security, and unique workforce development opportunities through registered apprenticeship programs. Any one of these benefits makes a persuasive case for Xcel's proposed 10-year extension. In combination, the case for extension is compelling. On the flip side, rejecting Xcel's proposed extension of the Monticello facility would pose imprudent and unacceptable risks to the public interest.

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<sup>1</sup> Xcel IRP, Appendix K, p. 9.