

**Xcel Integrated Resource Plan, Docket 19-368**  
**Revised Decision Options – January 26, 2022**

The following compiled decision options reflect letters made by parties on January 26 that were received by 4:30 pm. Revisions and additions from the letters are noted in red, and party positions reflected in the letters are noted by (Party – Jan 26) after the decision options. At the end of the document staff has listed decision option preferences by party as reflected in the January 26 letters. Staff notes some parties had additional justifications in their letters explaining their decision options.

**I. Decision Options**

*A. Resource Plan Preferences*

Joint Decision Options (Xcel, CEOs, LIUNA, IUOE Local 49, and the North Central States Regional Council of Carpenters) January 12, 2022 Filing

1. Approve the Alternate Plan as detailed in Xcel's June 25, 2021 Reply Comments, including but not limited to the following elements:
  - a. Approve plan to retire Allen S. King plant in 2028 and Sherco Unit 3 in 2030.
  - b. Approve Xcel ownership of Sherco and King gen-tie lines plus renewable resources added on the lines up to the Company's current interconnection rights.
  - c. Approve plan to continue pursuing a 10-year extension for the Monticello Nuclear plant.
  - d. But not including specific approval of the Lyon County Combustion Turbine (CT) and Fargo CT. (CUB – Jan 26; CEO – Jan 26; Sierra/DSP – Jan 26, 1 d. only; )
1. (Revised by Sierra/DSP – if Joint DOs adopted) Approve the following elements of Xcel's Alternate Plan as detailed in Xcel's June 25, 2021 Reply Comments:
  - a. Approve plan to retire Allen S. King plant in 2028 and Sherco Unit 3 in 2030 with instructions that Xcel should evaluate whether those units should be retired earlier in its next IRP;
  - b. Approve Xcel ownership of Sherco and King gen-tie lines plus renewable resources added on the lines up to the Company's current interconnection rights, provided that Xcel uses a robust competitive bidding process as identified in B.4 (CUB) and B.11 (OAG)
  - c. ~~Approve plan to continue pursuing a 10-year extension for the Monticello Nuclear plant.~~ (DSP takes no position on this portion)
  - d. But not including specific approval of the Lyon County Combustion Turbine (CT) and Fargo CT.  
(Sierra/DSP – Jan 26, alternative)
2. Find that it is more likely than not that there will be a need for approximately 800 MW of generic firm dispatchable resources between 2027 and 2029, some of which could be located in North Dakota, and requires that the Company include renewable resources and storage as potential options to meet this need in any applicable resource acquisition proceeding. (CEO - Jan 26, alternative to 17a)

2. (Revised by Sierra/DSP – if Joint DOs adopted) Find that it is more likely than not that there will be a need for approximately 800 MW of generic firm dispatchable resources between 2027 and 2029, ~~some of which could be located in North Dakota,~~ and requires that the Company conduct a technology-neutral all-source RFP using the methodology recommended by the OAG (decision option B.11) that allows portfolios of demand-side, include renewable resources and storage of any duration as potential options to meet any portion of this need in any applicable resource acquisition proceeding. Any Company construction of “generic firm dispatchable” resources without specific Commission pre-approval will bear a presumption of imprudence, and the statutory renewable preference at Minn. Stat. 216B.2422, Subd. 4, will apply to all proposals to meet this need. In addition,
- a. any assessment of the contribution of resources to the need for firm dispatchable resources shall be based on a Loss Of Load Probability-based Effective Load Carrying Capability analysis, and
  - b. For each of the resources or portfolio of resources, Xcel shall add up the grid value streams including capacity, energy, reactive and voltage support, and ability to absorb curtailed renewables and otherwise support renewable interconnection (including resulting emissions benefits), and shall select the resource or resource portfolio that provides the greatest value net of cost. (Sierra/DSP – Jan 26, alternative)

Xcel Energy (June 25, 2021 Reply Comments, alternative to Joint Decision Options)

3. Approve the Alternate Plan as detailed in Xcel’s June 25, 2021 Reply Comments and highlighted below:
- a. Approve Xcel ownership of Sherco and King gen-tie lines plus renewable resources added on the lines.
  - b. Approve 400 MW of natural gas combustion turbines in Lyon County, Minnesota and 400 MW natural gas combustion turbines in Fargo, North Dakota.
  - c. Approve plan to continue pursuing a 10-year extension for our Monticello Nuclear plant.
  - d. Approve the proposed blackstart shift to zonal approach and need for blackstart resources in each zone which includes:
    - i. Two specific blackstart additions in Minnesota and Wisconsin by 2026.

Center of the American Experiment (CAE)

4. Approve a modified Scenario 15, where Xcel’s coal facilities are operated until the end of their useful lives, both nuclear facilities are extended, and no new wind and solar is built that isn’t required by state mandates.

Citizens Utility Board of Minnesota (CUB)

5. Approve CUB’s Consumers Plan as described in CUB’s Initial Comments and highlighted below:
- a. Retire 2,683 MW of coal plants and 745 MW gas combustion turbines.
  - b. Approve a total of 4,522 MW of wind, 940 MW of utility-scale PV, 1,965 MW of distributed PV (including projects up to 40 MW connected to the distribution system), and 259 MW of battery storage.

- c. By 2025, approve 3,000 MW of wind, as well as 333 MW of distributed PV and 1,400 MW of utility-scale PV.
5. (revised by CUB) Approve CUB's Consumers Plan as described in CUB's Initial Comments and highlighted below:
  - a. Retire 2,683 MW of coal plants and 559 ~~745~~-MW gas combustion turbines.
  - b. Approve a total of 4,522 MW of wind, 3,940 ~~940~~-MW of utility-scale PV, 1,965 MW of distributed PV (including projects up to 40 MW connected to the distribution system), and 1,259 ~~259~~-MW of battery storage.
  - c. ~~By 2025~~ Within five years, approve 3,000 MW of wind, as well as 333 MW of distributed PV and 1,400 MW of utility-scale PV (CUB – Jan 26; Mpls – Jan 26)
6. Require Xcel to retire its remaining coal plants in the next five years and to move to economic commitment of all units as quickly as possible. (CUB – Jan 26; Mpls – Jan 26)
7. Require Xcel to retire or allow the expiration of PPAs for at least 550 MW of gas combustion turbine power plants in the next five years. (CUB – Jan 26)
8. Approve Xcel's proposal to operate the Monticello nuclear unit through 2040, including initiating a Certificate of Need proceeding in Minnesota and a Supplemental License Renewal process with the Nuclear Regulatory Commission in the next five years.
9. Approve Xcel's proposal to achieve 780 GWh/year savings from energy efficiency programs through 2034.
10. Advise Xcel that it will not be permitted to recover any undepreciated costs of the Sherco CC if and when the plant is no longer used and useful, any costs due to oversizing the plant, nor any future costs of retrofitting the plant to reduce emissions.
11. Deny Xcel's proposed CTs. (Mpls – Jan 26)

City of Minneapolis

12. Approve Xcel's decision to not pursue and new combined cycle gas plant at the Sherco site. (Mpls – Jan 26)
13. Approve Xcel's proposed reutilization of interconnections at Sherco and King sites and the proposed renewable resources added on the lines if determined to be in the public interest and does not stifle market competition.
14. Reject the construction of 800 MW of new gas CTs in Lyon County and Fargo. (Mpls – Jan 26)
15. Xcel shall retire the King and Sherco 3 coal plants earlier than 2028 and 2030, consistent with the Citizens Utilities Board "Consumers Plan."
16. Xcel shall deploy the 250 MW of planned energy storage resources from Xcel's Alternate Plan sooner than proposed to field test the capabilities of this resource for meeting future.

Clean Energy Organizations (Oct 15, 2021 Supplemental Comments, alternative to Joint Decision Options)

17. Approve Xcel's Alternate Plan but modify it by declining to approve the Lyon County CT and Fargo CT, and either:

- a. Replace them with 450 MW of solar hybrid, 400 MW of battery storage hybrid, 116 MW of standalone storage, and 100 MW of wind in 2027-2029, consistent with the CEOs' Alternate Plan. (CEO - Jan 26, preferred)

OR

- b. Designate the 800 MW of proposed CTs in 2027 and 2029 in Xcel's Alternate Plan as "generic firm peaking," consistent with Xcel's treatment of the additional CT capacity in its Alternate Plan. (CEO - Jan 26, alternative to 17a)

18. Require that Xcel consider and pursue opportunities to deploy renewable resources and storage technologies on a schedule faster than in its Alternative Plan, if such deployment would be cost-effective, maintain reliability, and aid in achieving compliance with decarbonization policies. (CUB – Jan 26; CEO – Jan 26)

Department Staff

19. Adopt Department Staff Scenario 11, as outlined in the Department Staff's October 15, 2021 comments.

OR

20. Require Xcel to:

- a. retire King by the early date, 2028.
- b. retire Sherco unit 3 by the early date, 203.
- c. proceed assuming no Commission determination is made regarding the requested approval to continue pursuing a 10-year extension for Monticello because the Company has since filed a Certificate of Need petition.<sup>1</sup>
- d. proceed assuming Prairie Island will undergo a 10-year license extension and re-study the retirement date in the next resource plan.
- e. acquire a total of approximately 1,125 MW of solar capacity, both distributed and central station, by 2024, contingent upon prices being reasonable.
- f. proceed assuming Xcel will not add wind resources during the action plan period;
- g. proceed assuming Xcel will not add capacity resources during the action plan.

(Department – Jan 26)

21. Take no action regarding:

- a. the Company's proposed level of energy efficiency resources;
- b. approval of 400 MW of CTs in Lyon County, Minnesota;
- c. approval of 400 MW of CTs in Fargo, North Dakota; and
- d. on the request for "flexibility to evaluate and pursue the required incremental DR." (Department – Jan 26)

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<sup>1</sup> This leaves Monticello's retirement date at the current license life of 2030.

22. Approve Xcel ownership of Sherco and King gen-tie lines plus renewable resources added on the lines. (Department – Jan 26)

Deputy Commissioner of Commerce

23. Approve an extension of the Monticello Nuclear Power Plant.

and

24. Review lifecycle emissions associated with natural gas power generation.

Distributed Solar Parties

25. Require Xcel to include the distributed solar resources proposed by the DSP and modeled by Sierra Club in the Company's approved plan. (Mpls – Jan 26)

Sierra Club

26. Approve Xcel's proposed retirement dates for Sherco Unit 3 by no later than 2030 and A.S. King by no later than 2028, with instructions that Xcel should evaluate whether those units should be retired earlier in its next IRP; and approve moving Sherco 2 to seasonal dispatch and King to seasonal dispatch until 2023 and economic commitment thereafter. (Mpls – Jan 26; Sierra/DSP – Jan 26)
27. Do not approve the need for the Sherco CC in 2027. (Mpls – Jan 26; Sierra/DSP – Jan 26)
28. Do not approve the need for the two newly proposed greenfield CTs in 2027 and 2029 or, alternatively, defer a decision on the CTs to another docket so that it can fully consider all the implications, including cost, reliability, and life-cycle climate change impacts associated with this request, and determine if other solutions can meet the need for reliability services at lower cost.
29. Approve the need for 1,350 MW of utility scale solar and 4,320 MW of new wind beginning in years 2027 and 2026, respectively, as well as an additional 4,070 MW of utility scale solar paired with 1,080 MW of battery storage starting in 2031, and 1,200 MW of standalone battery storage beginning in 2027. (Mpls – Jan 26; Sierra/DSP – Jan 26)
30. Approve Xcel's proposal to achieve 780 GWh/year savings from energy efficiency programs through 2034 and 400 MW of new demand response by 2023. (Mpls – Jan 26; Sierra/DSP – Jan 26)
31. Approve the need for 2,050 MW of community solar and 1,851 MW of distributed generation solar, and require Xcel to bring forward a proposal in 2022 for programs that could incentivize the growth of solar distributed generation within its territory at levels consistent with Sierra Club's Clean Energy For All Plan, and in a manner that would advance the goals of equity and access.
31. (Revised by DSP, Sierra, Mpls) Approve the need for 2,050 MW of community solar and 1,851 MW of distributed generation solar, and require Xcel to bring forward a proposal in 2022 for programs that could incentivize the growth of solar distributed generation within its territory at levels consistent with Sierra Club's Clean Energy For All Plan, with an interim target of 530 MW of behind-the-meter DG by 2025, and in a manner that would advance the goals of equity and access. (Sierra/DSP – Jan 26; Mpls – Jan 26)

32. Do not approve the need for the Monticello license extension through 2040. (Mpls – Jan 26; Sierra – Jan 26)

Xcel Large Industrials

33. Approve Xcel's Scenario 15, minus the Sherco CC.

34. Reject Xcel's Alternate Plan due to a lack of record support. In recognition of the need for certain resources common in various plans submitted by Xcel and supported by intervenors in this proceeding, approve Xcel's proposed additions of:

- a. 0.6 GW of Distributed Solar.
- b. 2.0 GW of Energy Efficiency.
- c. 0.5 GW of Demand Reduction.
- d. 0.8 GW of Wind.
- e. 2.7 GW of Solar.

34. (Revised by XLI) Reject Xcel's Alternate Plan due to a lack of record support. In recognition of the need for certain resources common in various plans submitted by Xcel and supported by intervenors in this proceeding, make the following resource

determinations: ~~approve Xcel's proposed additions of~~

- a. Approve 0.6 GW of Distributed Solar.
- b. Approve 2.0 GW of Energy Efficiency.
- c. Approve 0.5 GW of Demand Reduction.
- d. Approve 0.8 GW of Wind.
- e. Approve 2.7 GW of Solar.
- f. Approve repowering two firm dispatchable brownfield units in 2025 and 2026.
- g. Approve a 10-year license extension for the Monticello and Prairie Island nuclear plants.
- h. Defer a decision on the retirement dates for the Sherco 3 (2034) and King (2038) coal units until the next IRP so that the coal units can provide economic dispatch for reliability in lieu of the proposed greenfield CTs.
- i. Defer a decision on the two proposed greenfield CTs. Re-evaluate the need for firm dispatchable capacity after the renewables solicitation in Revised Decision Option B.10 is completed and the blackstart issues in Revised Decision Option C.6 have been further explored.
- j. Defer a decision on the Gen-Ties until after they have been proven to be cost-effective in the proceeding described in Revised Decision Option B.10. (XLI – Jan 26)

35. (New – OAG) Modify Xcel's Alternative Plan to remove the Sherco and King gen-tie lines (OAG – Jan 26)

*B. Resource Acquisition*

Joint Decision Options (Xcel, CEOs, LIUNA, IUOE Local 49, and the North Central States Regional Council of Carpenters)

1. Require that Xcel consider and pursue opportunities to deploy renewable resources, storage technologies, and resources powered by hydrogen or clean fuel alternatives on a schedule faster than in its Alternate Plan, if such deployment would be cost-effective,

maintain reliability, and aid in achieving compliance with decarbonization policies. (CEO – Jan 26)

1. (Revised by Sierra/DSP – if Joint DOs adopted) Require that Xcel consider and pursue opportunities to deploy renewable resources and storage technologies, ~~and resources powered by hydrogen or clean fuel alternatives~~ on a schedule faster than in its Alternate Plan, if such deployment would be cost-effective, maintain reliability, and aid in achieving compliance with decarbonization policies and provided that Xcel uses the competitive bidding process from B.11 and without a presumption of Xcel ownership. (Sierra/DSP – Jan 26, alternative)

Xcel Energy (June 25, 2021 Reply Comments, alternative to Joint Decision Options)

2. Approve the use of the Modified Track 2 process for the following acquisition proceedings:
  - a. Solar, wind, and storage resources that utilize the transmission interconnection at the Sherco site.
  - b. Solar and storage resource that utilize the transmission interconnection at the King site.
  - c. Any additions of renewable resources, storage, or resources powered by hydrogen or clean fuel alternatives that would be cost-effective, maintain reliability, and aid in achieving compliance with decarbonization policies and that are proposed before Commission approval of the next resource plan.
3. Approve the use of the Modified Track 2 process for the following acquisition proceedings:
  - a. Solar and wind resources that utilize the transmission interconnection at the Sherco site.
  - b. Solar resource that utilize the transmission interconnection at the King site.
  - c. Approximately 400 MWs of CTs in Lyon County to connect to the transmission interconnection at the Sherco site.
  - d. Any wind or solar additions needed before the next resource plan.

Citizens Utility Board of Minnesota (CUB)

4. Require Xcel to issue one or more RFPs for approximately 3,000 MW of new wind capacity and 1,400 MW of new solar capacity in the next five years. To ensure such processes are competitive, robust, and transparent, require future wind procurement RFP processes to meet, at a minimum, the following conditions:
  - a. The competitive-bidding process should be administered by an independent third-party.
  - b. The competitive-bidding process should include a request for proposals that is posted publicly and open to any interested developer.
  - c. The request for proposals should not include geographic limitations.
  - d. The request for proposals should be open to power purchase agreements, build-transfer proposals, and utility self-build projects.
  - e. Xcel's proposed bidding process, timeline, evaluation criteria, and request for proposals language should be filed with the Commission at least one month prior to the issuance of the request for proposals. This filing should also include a



contingency plan describing the subsequent process should the bidding process fail to elicit a meaningful number of bids. (Sierra/DSP – Jan 26)

4. (Revised by CUB) Require Xcel to issue one or more RFPs for approximately 3,000 MW of new wind capacity and 1,400 MW of new solar capacity in the next five years. To ensure such processes are competitive, robust, and transparent, require future wind and solar procurement RFP processes to meet, at a minimum, the following conditions:
  - a. The competitive-bidding process should be administered by an independent third-party.
  - b. The competitive-bidding process should include a request for proposals that is posted publicly and open to any interested developer.
  - c. Except for project connected to the Sherco and King gen-tie lines, the request for proposals should not include geographic limitations.
  - d. The request for proposals should be open to power purchase agreements (excepting projects connected to the Sherco and King gen-tie lines), build-transfer proposals, and utility self-build projects.
  - e. Xcel's proposed bidding process, timeline, evaluation criteria, and request for proposals language should be filed with the Commission at least one month prior to the issuance of the request for proposals. This filing should also include a contingency plan describing the subsequent process should the bidding process fail to elicit a meaningful number of bids. (CUB – Jan 26; Mpls – Jan 26)
5. Require Xcel to enable the adoption of approximately 300 MW of new distributed solar - including rooftop, community, and larger-sized, distribution system-tied developments -- and 600 MW of new battery storage in the next five years. (CUB – Jan 26)

#### City of Minneapolis

6. Approve Xcel's requested use of Modified Track 2 process for solar and wind additions needed before the next IRP, ensuring a competitive bidding process. Minneapolis recommends that this process includes the opportunity for DERs to compete.
7. Require a Clean Energy Portfolio approach if new capacity is needed, as part of a competitive bidding process. (Mpls – Jan 26)

#### Department Staff

8. Regarding resource acquisition, Department Staff recommends that the Commission:
  - a. Approve the Track 1 and Modified Track 2 bidding processes, as outlined in Department Staff's February 11, 2021 comments.
  - b. Require that any RFP documents for peaking resources issued by Xcel be technology neutral.
  - c. Determine that the Commission-approved Track 1/Modified Track 2 bidding process applies in all instances where Xcel intends to acquire 100 MW of capacity for a duration longer than five years.
  - d. Cap any ROFO offer made by Xcel at net book value.
  - e. Require any RFP issued by Xcel to include the option for both PPAs and BOTs unless the Company can demonstrate why either a PPA or BOT proposal is not feasible. (Department – Jan 26)



#### Distributed Solar Parties

9. Initiate an investigation into the benefits and uses of all-source RFPs to inform future resource plans. *(DSP)*

#### OAG

10. Require Xcel to complete a competitive bidding process to procure solar-plus-storage projects. *(OAG – Jan 26)*

10. (Revised by XLI) Require Xcel to complete a competitive bidding process to procure solar-plus-storage projects the 2.7 GW of solar and 0.8 GW of wind resources in Revised Decision Option A.34(d) and (e). The resource acquisition proceeding should solicit bids for (a) resources on the proposed Gen-Ties and (b) resources without ownership or geographic/interconnection constraints, so that the need and cost-efficiency of the proposed GenTies and associated Xcel-owned solar can be adequately vetted and compared to third party-owned solar sited elsewhere. (XLI – Jan 26)

11. Require Xcel to provide a filing, prior to issuing an RFP, detailing its proposed competitive bidding process including, at minimum, the following components:
  - a. A list of potential independent auditors to oversee the bidding process and evaluate the proposals.
  - b. The criteria that the independent auditor will use to evaluate proposals.
  - c. The proposed text of the request for proposals.
  - d. The proposed timeline for the issuance of the request for proposals, the allowed response time, the date upon which Xcel will submit its self-build proposal (if applicable), and the date upon which the independent auditor will submit its report to the Commission detailing the bid results.
  - e. Confirmation that the request for proposals will be published publicly and open to any interested developer.
  - f. Confirmation that there will be no geographic or ownership limitations on the proposals.
  - g. A contingency plan in the event of an unsuccessful bidding process. *(Department – Jan 26; Mpls – Jan 26; Sierra/DSP – Jan 26; OAG – Jan 26)*

#### Commission Staff

12. For future solar acquisition petition, Xcel shall include updated capacity expansion modeling, with forecasted rate impacts. For solar acquisition petitions that include more than one project, projects shall be modeled on an individual basis and as a total portfolio. *(Department – Jan 26)*

#### *C. Blackstart*

1. Review Xcel's future blackstart needs in a future planning meeting or set of planning meetings. *(Xcel, CEOs, LIUNA, IUOE Local 49, and the North Central States Regional Council of Carpenters, Department – Jan 26, CEO – Jan 26; Sierra/DSP – Jan 26; Mpls – Jan 26)*
2. Initiate a new regulatory docket to discuss broader blackstart issues that would include the consideration of other blackstart additions in other zones in the later years of the

2020-2034 planning period. (Xcel, June 25 2022, Comments, alternative to Joint Decision Options)

3. Open a separate proceeding to examine blackstart issues that will inform Xcel's next IRP. (CUB)
4. Xcel shall analyze black start options that do not require natural gas and share this analysis prior to the next RFP for new generation or IRP planning cycle. (Mpls)
5. Take up Xcel's future blackstart needs in a future proceeding. (~~CEO~~, Department – Jan 26)
6. Require an investigatory docket to include all Minnesota utilities to address a zonal blackstart approach in Minnesota and the resources that would support such an approach. The proceeding should address:
  - a. Whether a zonal blackstart approach can provide a cost-effective (from both a rate and bill impact perspective) and reliable alternative to centralized blackstart.
  - b. The resources that would best support zonal blackstart to provide reliable and cost-effective capacity and energy to consumers.
  - c. Whether prolonged economic dispatch of existing resources can avoid significant capital investments in interim natural gas resources, thereby ultimately accelerating the transition to a carbon-free future. (XLI, Department – Jan 26)
6. (Revised by XLI) Require a planning meeting or set of planning meetings to consider an investigatory docket to include all Minnesota utilities to address a zonal blackstart approach in Minnesota and the resources that would support such an approach. The proceeding should address: whether a zonal blackstart approach can provide a cost-effective (from both a rate and bill impact perspective) and reliable alternative to centralized blackstart. To the extent Xcel proceeds with a zonal blackstart plan, the following issues should be addressed in a subsequent IRP proceeding:
  - a. The resources that would best support zonal blackstart to provide reliable and cost-effective capacity and energy to consumers.
  - b. Whether prolonged economic dispatch of existing resources can avoid significant capital investments in interim natural gas resources, thereby ultimately accelerating the transition to a carbon-free future. (XLI – Jan 26)

7. (New – CUB) Require that any resource proposal for meeting blackstart needs be made in the next IRP, where the full value and services of new generating units – including its capacity, energy, blackstart, stability, or other values – can be evaluated in the context of the broader resource plan. (CUB – Jan 26; Sierra/DSP – Jan 26)

#### D. Next IRP

##### Filing Date for Next IRP

1. Require Xcel to submit its next IRP by June 30, 2023. (Xcel, CEOs, LIUNA, IUOE Local 49, and the North Central States Regional Council of Carpenters, Department – Jan 26; CUB – Jan 26; CEO – Jan 26; Sierra/DSP – Jan 26; Mpls – Jan 26)
1. (Revised by XLI) Require Xcel to submit its next IRP by June 30, 2023 and direct Xcel to

include an analysis of rate and bill impacts for each customer class in its filing, as well as an explanation of how its resource plan will help to achieve the energy policy goals set forth in Minn. Stat. § 216C.05, subd. 2(4) for all customer classes. (XLI – Jan 26)

2. Require that Xcel submit its next IRP two years from the date of the Commission Order. ~~(CEO, Oct 15, 2021 Supplemental Comments, alternative to Joint Decision Options)~~

#### Treatment of DSM/DERs

3. Require Xcel to work with stakeholders to develop a modeling construct that enables identification of economic distributed solar additions as part of the Company's next resource plan. Require that Xcel include improved load flexibility and demand response modeling methodologies going forward and in its next resource plan. (Xcel, CEOs, LIUNA, IUOE Local 49, and the North Central States Regional Council of Carpenters; CEO – Jan 26)
3. (Revised by DSP) Require Xcel to work with stakeholders to include ~~develop~~ a modeling construct for distribution connected solar that reflects only the utility cost to incentivize incremental behind-the-meter distributed generation as a supply resource ~~that enables identification of economic distributed solar additions~~ as part of the Company's next resource plan. Require that Xcel include improved load flexibility and demand response modeling methodologies going forward and in its next resource plan. (Sierra/DSP – Jan 26; CUB – Jan 26; Mpls – Jan 26)
4. Require Xcel to consider distributed generation as a resource in its next IRP, including a quantification of distribution system benefits of distributed generation. (DSP; CUB – Jan 26; Mpls – Jan 26)
5. Require Xcel to initiate a pilot program to test the distributed generation adoption model as proposed in DSP's Initial Comments. (DSP; Mpls – Jan 26)
6. Require Xcel to take local clean energy goals, in addition to state policy and existing incentives, into consideration in forecasting and modeling for the IRP. (SRA; Mpls – Jan 26)
7. Require Xcel to include more local generation and distributed energy resources in the next IRP:
  - a. Work with customers with local distributed solar goals to develop programs that can support their community, with an emphasis on low-income customers.
  - b. Develop new local renewable resources for municipal loads and our community through special contracts, expanded community solar offerings, and on-site solar incentives. (Mpls – Jan 26, DSP)
8. Require Xcel to model demand side resources at a more granular level in the next IRP filing and to develop a more sophisticated approach to optimize demand size resources, include energy efficiency and demand response, in the next IRP modeling process, by using a consistent societal discount rate to analyze both energy efficiency and demand response resources in this and future IRPs. (Mpls – Jan 26)

9. Require Xcel to assign value to equity impacts and non-energy benefits of DSM programs. (Mpls – Jan 26)
10. Require Xcel to model demand flexibility programs separately from traditional demand response programs. (Mpls – Jan 26)

#### Forecast

11. Require Xcel to account for anticipated effects of advanced rate design, demand response, and any other efforts to shift customer demand in its next IRP. (CUB – Jan 26; CEO – Jan 26; Mpls – Jan 26)
12. Require Xcel to include beneficial building electrification in the load growth forecast and increased grid flexibility with a more sophisticated modeling software. (SRA; Mpls – Jan 26)
13. Require Xcel to develop and/or improve base case adoption forecasts of the following technologies to include in its overall demand forecast for its next IRP filing, either through its Integrated Distribution System Plan proceedings, or through another stakeholder process.
  - a. Light, medium, and heavy duty electric vehicle adoption
  - b. Electric space heating adoption
  - c. Electric water heating adoption
  - d. Electrification of other end uses
  - e. Increased potential for demand response and load flexibility from an increase in electrification of the technologies in a – d
  - f. Distributed solar adoption, including customer sited, community solar gardens, and non-customer sited/non-CSG distributed solar (Staff; CEO – Jan 26)

#### Other Resource Adjustments

14. Require that Xcel's next IRP include a deeper analysis of storage options, including making solar-battery hybrids a resource option, and also a deeper analysis of the role of hydrogen and clean fuel alternatives in Xcel's resource mix. (*Xcel, CEOs, LIUNA, IUOE Local 49, and the North Central States Regional Council of Carpenters*; (CUB – Jan 26; CEO – Jan 26)
14. (Revised by Sierra/DSP – if Joint DOs adopted) Require that Xcel's next IRP include a deeper analysis of storage options, including making solar-battery hybrids a selectable resource option in all optimized runs, and also a deeper analysis of the role of hydrogen and clean fuel alternatives in Xcel's resource mix. (Sierra/DSP – Jan 26, alternative)
15. Require Xcel to pursue robust in-state and intrastate transmission expansion. Require Xcel to report on activities and progress to expand intrastate transmission capacity in its next IRP. (CUB)
15. (Corrected by CUB) Require Xcel to pursue robust in-state and ~~intrastate~~ interstate transmission expansion. Require Xcel to report on activities and progress to expand ~~intrastate~~ interstate transmission capacity in its next IRP. (CUB – Jan 26)

16. Require Xcel in its next IRP to include a discussion of potential options for exiting its contract with the HERC incinerator, as well as the costs and benefits of declining to renew its contract with the incinerator. (Sierra/DSP – Jan 26; Mpls – Jan 26)
17. Re-evaluate the Monticello nuclear plant extension in the next IRP cycle. *(Mpls)*
18. Require Xcel to file a report in its next IRP explaining:
  - a. Planned investments at the Prairie Island Nuclear Generation Plant.
  - b. Any aging management issues that may arise from continued operation.
  - c. Expectations regarding future nuclear workforce.
  - d. Cyber-security issues or concerns, as plants move from analog to digital systems.
  - e. True comprehensive cost-benefit analysis, which includes potential environmental and economic impacts to the PIIC and Treasure Island.
  - f. Additional spent nuclear fuel generated over a 10- or 20-year period.
  - g. How fuel stored on-site will be removed during the next IRP period
  - h. Additional State permits, Certificates of Need, or federal licenses will be required. *(Prairie Island Indian Community, Department – Jan 26 letter; Sierra/DSP – Jan 26; Mpls – Jan 26)*
19. Require Xcel to begin stakeholder discussions about the future of Prairie Island Nuclear Generation Plant (PINGP) immediately, and require Xcel to address the future of PINGP in its next resource plan. *(City of Red Wing)*

#### Process Changes

20. Require Xcel to conduct a comprehensive planning process to advance a just and equitable clean energy transition as part of the next IRP planning cycle, including a collaborative, participatory planning process through stakeholder workshops as an alternative to the limited information requirements that Xcel proposed in the Alternate Plan, which will be more time efficient while allowing for more community input. *(Mpls)*
21. For future resource plans, for parties submitting alternative plans, parties must include:
  - a. A load and resources table that reflects the Company's load plus MISO reserve margin requirements, the Company's full set of existing resources, and the modeling party's proposed expansion plan, on an annual basis.
  - b. An evaluation of the proposed alternative plan's Present Value Revenue Requirements and Present Value Societal Costs (PVSC). The modeling parties shall provide PVSC values under the same externality/regulatory cost of carbon sensitivity that the Company presents in its primary plan.
  - c. A quantitative bill and/or rate impact analysis of the proposed plan, including whether the plan results in significant differential bill impacts to different customers within a customer class (i.e. participating and non-participating customers).
  - d. An analysis of whether the proposed plan results in unserved energy or other significant reliability concerns within the modeled construct.
  - e. A reasonably comprehensive documentation of input assumptions, to the extent they are different than the Company's inputs.
  - f. Discussion of how its proposed alternative plan achieves the Commission's public interest analysis requirements for approving a resource plan, as outlined in Minn. R. 7843.0500, subp. 3. *(Xcel)*

22. Reject Xcel's suggestion that additional limitations be placed on parties wishing to intervene in future IRP proceedings. (CUB; CEO – Jan 26; Sierra/DSP – Jan 26; Mpls – Jan 26)

*E. Miscellaneous*

IDP/IRP

1. Require Xcel to explain, in its next Integrated Distribution Plan (IDP), how its distribution plan will put the Company on track to meet the level of distributed energy resource (DER) deployment in its approved IRP. (CUB – Jan 26; Sierra/DSP – Jan 26; Mpls – Jan 26)
2. Require Xcel to align integrated distribution system planning and integrated resource planning processes. (Mpls – Jan 26; Sierra/DSP – Jan 26)
3. Require Xcel to take the following steps recommended in DSP's Initial Comments to better align distribution and resource planning, including:
  - a. Set DER deployment targets consistent with approved IRP.
  - b. Conduct advanced forecasting to better project the levels of DER deployment at a feeder level, using Xcel's advanced planning tool.
  - c. Proactively plan investments in hosting capacity and other necessary system capacity to allow distributed generation and electric vehicle additions consistent with DER deployment targets.
  - d. Improve non-wires alternatives analysis, including market solicitations for deferral opportunities to make sure Xcel can take advantage of DERs to address discrete distribution system costs.
  - e. Plan for aggregated DERs to provide system value including energy/capacity during peak hours. (Sierra/DSP – Jan 26; Mpls – Jan 26)

Other Commission Processes

4. Require Xcel to proactively plan investments in hosting capacity and other necessary system capacity to allow distributed generation and electric vehicle (and, CUB would add, additional beneficial electrification) additions consistent with DER deployment targets. (CUB)
4. (Revised by CUB) Require Xcel to proactively plan investments in hosting capacity and other necessary system capacity to allow distributed generation, ~~and electric vehicle,~~ ~~{and, CUB would add, additional beneficial electrification}~~ additions consistent with DER deployment targets. (CUB – Jan 26; Sierra/DSP – Jan 26; Mpls – Jan 26)
5. Require Xcel to plan for aggregated DERs to provide system value including energy/capacity during peak hours. (CUB – Jan 26; Sierra/DSP – Jan 26; Mpls – Jan 26)
6. Require Xcel to propose programs for beneficial electrification, including programs for efficient fuelswitching under the new Energy Conservation and Optimization Act. (CUB – Jan 26; Sierra/DSP – Jan 26; Mpls – Jan 26)
7. Require Xcel to consider beneficial electrification and grid flexibility as decarbonization strategies by:

- a. Ensuring new electric loads through vehicle electrification or fuel switching can be designed to be grid assets.
- b. Ensuring electrification plans are built into any future high electrification scenario. ([Sierra/DSP – Jan 26; Mpls – Jan 26](#))

#### Equity

8. Require Xcel to center equity in Xcel resource decisions by:
  - a. Designing for the equitable delivery of electricity services and programs for energy burdened customers in this IRP.
  - b. Creating new options to improve customer access to energy efficiency and renewable energy.
  - c. Submitting a plan in 2022 to bring its workforce's racial and gender diversity in line with the population it serves and with the utility's stated goals.
  - d. Working closely with the Prairie Island Indian Community, a sovereign nation, in planning for whether to renew the operating licenses for the Prairie Island Nuclear Plant. (Mpls; [Sierra/DSP – Jan 26; Mpls – Jan 26](#))
9. Require Xcel to design DG Resource incentive programs that ensure distributed generation programs provide equitable access to low income and Black, indigenous, and communities of color that have disproportionately borne costs of unjust and inequitable energy decisions ([Sierra/DSP – Jan 26; Mpls – Jan 26](#))
10. Require Xcel to adopt practices in furtherance of procedural justice, including deeper engagement with renters, affordable rental property owners, BIPOC communities, and under-resourced individuals, providing resources for engagement and participation, and providing financial support for impacted individuals to participate in dockets and decision-making processes. (EEAP, [Sierra/DSP – Jan 26; Mpls – Jan 26](#))
11. Require Xcel to support the formation of an environmental justice accountability board, which would develop environmental justice-focused initiatives to be incorporated throughout the utility. (EEAP, [Sierra/DSP – Jan 26; Mpls – Jan 26](#))
12. Require Xcel to develop and report on (or more regularly report on, if already developed) comprehensive recruitment, hiring, retention, and advancement goals and strategies for staff and board, as well as deepening its supplier and vendor diversity efforts. (EEAP, [Sierra/DSP – Jan 26; Mpls – Jan 26](#))
13. Require Xcel to implement measures that could ease the path of Xcel workers who are displaced from jobs as described in IBEW's initial letter (*IBEW Locals 23, 260, 949*)



## **II. Decision Option List from Party January 26, 2022, Letters**

### **Clean Energy Organizations**

- A1 including all subparts, A17a (preferred) or A2/A17b, A18
- B1
- C1
- D1, D3, D11, D13, D14, D22

### **Citizens Utility Board (CUB)**

- A1, A5 (revised), A6, A7, A18,
- B4 (revised), B5
- C1, C7 (new)
- D1, D3 (revised), D4, D11, D14, D15 (revised)
- E1, E4 (revised), E5, E6

### **Department of Commerce**

- A20, A21, A22, including all subparts
- B8, B11, B12, including all subparts
- C - the Department deferred all decisions to Xcel's proposed blackstart proceeding  
However, if the Commission determines to make a decision, options C1, C5 and/or C6
- D1, D18, including all subparts

### **City of Minneapolis**

- A5 (revised) or A29, A6 or A26, A11, A12 or A27, A14, A 25, A30, A31 (revised), A32
- B4 or B11 and B7
- C1 (revised)
- D1, D3 (revised), D4 through D12, D16, D18, D22
- E1 through E12

### **OAG**

- A35 (new)
- B10, B11

### **Sierra Club/DSP**

- A1d only – do not approve Lyons and Fargo CTs
- A26, A27, A29, A30, A31 (revised)
- A32 (Sierra only, DSP takes no position)
- B4, B11
- C1, C7 (new)
- D1, D3 (revised), D16, D18, D22
- E1 through E12, especially E3

### **Xcel Large Industrial (XLI)**

- A34 (revised)
- B10 (revised)
- C6 (revised)
- D1 (revised)