

Xcel Integrated Resource Plan, Docket 19-368
Compiled Decision Options – Published February 2, 2022

The following compiled decision options reflect revised decision options filed by 4:30 pm Tuesday, February 1. This is a clean version of the decision options with party positions noted. At the end of the document staff has listed decision option preferences by party as reflected in filings made from January 26 onward. Party revisions of other party decision options are noted with an “R” (for example, R1, R2, etc). Party revisions to their own decision options were incorporated into the clean version. 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. Xcel to retire Allen S. King plant in 2028 and Sherco Unit 3 in 2030.
 - b. Xcel to commence certificate of need and route permit proceedings for both the Sherco and King gen-tie transmission lines.
 - c. Xcel ownership of Sherco and King gen-tie lines plus renewable resources added on the lines up to the Company’s current interconnection rights, which are approximately 2,000 MW for Sherco and 600 MW for King, as enumerated in d.i, e.i, and f. below
 - d. The acquisition of approximately of 1,300 MW of solar by 2026, including:
 - i. Approximately 720 MW of Company-owned resources to fully reutilize the Sherco Unit 2 interconnection, 460 MW of which could come from the proposed Sherco Solar project (Docket No. E002/M-20-891), if approved by the Commission; and
 - ii. An additional 600 MW of solar resources that would not be limited by interconnection location or ownership
 - e. Approve the need for approximately 600 MW of solar and 2,150 MW of wind, or an equivalent amount of energy and capacity from a combination of wind, solar and/or storage, between 2027 and 2032, to maximize the use of the Sherco gen-tie line
 - i. Including, the acquisition of approximately 1,300 MW of Company-owned wind, solar, and/or storage resources to fully reutilize the Sherco Unit 1 and Unit 3 interconnections
 - f. Approve the need for approximately 600 MW of Company-owned solar and/or storage resources, between 2028 and 2030, to maximize the use of the King gen-tie line and fully reuse the King interconnection
 - g. Require that any acquisition proceeding for surplus generation on the King and Sherco gen-tie lines, beyond the amount required to fully reuse the Sherco and

King interconnections, be open to either Company-owned or non-Company-owned resources.

- h. Approve plan to continue pursuing a 10-year extension for the Monticello Nuclear plant.
- i. Xcel to repower resources needed to provide blackstart services in 2025 and 2026
- j. Xcel to continue to acquire 400 MW of incremental demand response by 2023 as ordered in the Company's last resource plan (Docket No. E002/RP-15-21).
- k. Xcel to achieve increased levels of energy efficiency of at least 780 GWh of annual energy savings in each year of the plan.
- l. But not including specific approval of the Lyon County Combustion Turbine (CT) and Fargo CT.

Revised by Xcel in their February 1 Letter. Replaces Decision Option A1 from the Jan 12 Joint Decision Options. Supported by Xcel, CEO, LIUNA, Local 49, Carpenters, and CUB except 1a.

R1. 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. But not including specific approval of the Lyon County Combustion Turbine (CT) and Fargo CT.

Revision of original A1 by Sierra/DSP in their Jan 26 Letter as an alternative if Commission adopts the Joint Decision Options. DSP takes no position on the Monticello relicensing

- 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 an evaluation of renewable resources and storage that can deliver the identified necessary grid attributes to meet this need in a future resource plan, certificate of need (CON) or applicable resource acquisition proceeding. This approximate 800 MW is incremental to any of the resources identified in Order Point A1.
 - a. Here, firm dispatchable means a resource or combination of resources that is able to provide capacity, energy, and energy availability to meet load for extended durations of energy needs in the context of the system as a whole.
 - b. Other characteristics for a firm dispatchable resource that may be considered include the value from production capabilities during potential system restoration events of unknown durations, environmental impacts, costs, and the ability to foster integration of renewable resources.

- c. The analysis of this likely need should be based on up-to-date systemwide modeling in order to (i) establish the capacity, energy, resource adequacy, energy availability, ancillary service, and reliability needs, and (ii) to quantify and compare the contribution of the electric system attributes from the different resource options considered to meet the identified grid needs.

Revised by Xcel in their February 1 Letter. Replaces Decision Option A2 from the Jan 12 Joint Decision Options. Supported by Xcel, CEO, LIUNA, Local 49, Carpenters

R2. 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, 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, 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:

- d. 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
- e. 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.

Revision of original A2 by Sierra/DSP in their Jan 26 Letter as an alternative if Commission adopts the Joint Decision Options.

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. (CAE – Jan 26)

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 559 MW gas combustion turbines.
 - b. Approve a total of 4,522 MW of wind, 3,940 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 MW of battery storage.
 - c. 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

Revised by CUB in their Jan 26 letter; supported by Mpls – Jan 26; Community Power – Jan 27 supports 5a

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; Community Power – Jan 27 amended to read "by 2025 at the latest")*
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; Community Power – Jan 27)*
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. *(Community Power – Jan 27)*
11. Deny Xcel's proposed CTs. *(Mpls – Jan 26; Community Power – Jan 27)*

City of Minneapolis

12. Approve Xcel's decision to not pursue and new combined cycle gas plant at the Sherco site. *(Mpls – Jan 26; Community Power – Jan 27)*
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. *(Community Power – Jan 27)*
14. Reject the construction of 800 MW of new gas CTs in Lyon County and Fargo. *(Mpls – Jan 26; Community Power – Jan 27)*
15. Xcel shall retire the King and Sherco 3 coal plants earlier than 2028 and 2030, consistent with the Citizens Utilities Board "Consumers Plan." *(Community Power – Jan 27)*

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.¹
 - 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

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

- d. on the request for “flexibility to evaluate and pursue the required incremental DR.” (*Department – Jan 26*)
- 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; Community Power – Jan 27*)

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; Community Power – Jan 27*)
- 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. (*Community Power – Jan 27*)
- 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; Community Power – Jan 27 with the addition of “at least” before 780 GWh*)
- 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, 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.

Revised by DSP, Sierra, Mpls in Jan 26 letter; supported by Community Power – Jan 27

32. Do not approve the need for the Monticello license extension through 2040. (*Mpls – Jan 26; Sierra – Jan 26; Community Power – Jan 27*)

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, make the following resource determinations:
- 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.

Revised by XLI in Jan 26 Letter, supported by CAE

New since January 26

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

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*)

- R1.** Require that Xcel consider and pursue opportunities to deploy renewable resources and storage technologies 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.

Revision of original B1 by Sierra/DSP in their Jan 26 letter as an alternative if Commission adopts Joint Decision Options.

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 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.

Revised by CUB in Jan 26 letter; Mpls – Jan 26; Sierra/DSP – 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; Community Power – Jan 27*)

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.

OAG

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

New since January 26

- 13. Require Xcel to complete a competitive bidding process to procure 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.

New XLI, Jan 26 Letter

- 14. Require Xcel to provide a filing, at least 31 days prior to issuing an RFP, detailing its planned competitive bidding process including, at minimum, the following components:
 - a. A list of independent auditors Xcel considered to oversee the bidding process, and a discussion of why the selected independent auditor was chosen.
 - b. The criteria that Xcel will use to evaluate proposals.
 - c. The planned text of the request for proposals.
 - d. The planned 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 Xcel will submit its report to the Commission detailing the bid results, including the independent auditor's evaluation of the bid process.
 - 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 limitations on the proposals, other than the requirement that transmission-connected resources be located within the MISO resource zone and distribution-connected resources be located within Xcel's service territory.
 - g. Confirmation that bids for power purchase agreements (PPAs) will be permitted.
 - h. A contingency plan in the event of an unsuccessful bidding process.
 - i. Xcel's proposed RFP process will be deemed approved if no party files an objection within 30 days of the Company's filing.

New OAG/CUB, February 1 Letter, accompanies B4 and B11

- 15. Require Xcel, to provide an informational filing, prior to issuing an RFP, detailing its planned competitive bidding process including, at minimum, the following components:
 - a. A list of independent auditors Xcel considered to oversee the bidding process, and a discussion of why the selected independent auditor was chosen.
 - b. The criteria that Xcel will use to evaluate proposals.

- c. The planned text of the request for proposals.
- d. The planned 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 approximate timeline for Xcel 3 to submit its report to the Commission detailing the bid results, including the independent auditor's evaluation of the bid process.
- e. Confirmation that the request for proposals will be published publicly and open to any interested developer.
- f. Confirmation that bids for Power Purchase Agreements will be permitted, unless (1) the RFP is being issued exclusively for a need the Commission has stated may be limited to Company-owned resources and/or (2) the resources are being procured consistent with applicable FERC or MISO requirements.
- g. A contingency plan in the event of an unsuccessful bidding process

New Xcel, February 1 Letter, supported by LIUNA, Local 49, Carpenters

C. Blackstart

1. Review Xcel's future blackstart needs in a future planning meeting or set of planning meetings. *(Xcel, CEO – Jan 26, LIUNA, Local 49, Carpenters; Department – Jan 26; Sierra/DSP – Jan 26; Mpls – Jan 26; CUB – 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 Join 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. *(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)*

R6. Require a planning meeting or set of planning meetings to consider 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.

Revised by XLI in Jan 26 letter

7. 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.

New CUB in Jan 26 letter; supported by 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, CEO – Jan 26, LIUNA, Local 49, Carpenters, Department – Jan 26; CUB – Jan 26; Sierra/DSP – Jan 26; Mpls – Jan 26)*

R1. 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.

Revised by XLI in Jan 26 letter, supported by CAE

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, CEO – Jan 26, LIUNA, Local 49, Carpenters)*

R3. Require Xcel to work with stakeholders to include 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 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.

Revised by DSP in January 24 letter, supported by 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; Community Power – Jan 27)*

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. *(DSP; Mpls – Jan 26; Community Power – Jan 27)*
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; Community Power – Jan 27)*
9. Require Xcel to assign value to equity impacts and non-energy benefits of DSM programs. *(Mpls – Jan 26; Community Power – Jan 27 with the addition of “as defined by an EJ board from the community after “programs.”)*
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, CEO – Jan 26, LIUNA, Local 49, Carpenters; CUB – Jan 26*)

R14. 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.

Revision of original B1 by Sierra/DSP in their Jan 26 letter as an alternative if Commission adopts Joint Decision Options.

15. Require Xcel to pursue robust in-state and interstate transmission expansion. Require Xcel to report on activities and progress to expand interstate transmission capacity in its next IRP.

Revised by CUB in Jan 26 letter

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; Community Power – Jan 27*)

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; Community Power – Jan 27*)

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; Community Power – Jan 27*)

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; Community Power – Jan 27*)

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; Community Power – Jan 27*)

New since January 26

23. As part of Xcel's next resource plan filing; or, in any event, no later than December 31, 2023, if no resource plan has been filed by that time, the Company shall submit to the Public Utilities Commission and the City of Becker a detailed plan describing the Company's plans for the 2 disposition of the Sherburne County Generating Station site, equipment and buffer property. This report should include, at a minimum:
 - a. A detailed description and timeline of any demolition, environmental clean-up, or similar work that will be required by the impending retirement of Sherco Unit 2.
 - b. To the extent possible, describe the Company's plans and a detailed timeline to decommission and demolish electric generating equipment related to Sherco Units 1 and 3.
 - c. A detailed description of the timeline and steps necessary to remediate pollution at the Sherco site.
 - d. A section detailing how the Company is working to ensure that plans for site remediation, economic development, or future development and maintenance of power generation, transmission, or distribution infrastructure are consistent with the community's long-range planning and vision.

- e. A description of any ongoing efforts by the Company to evaluate future uses for the plant site, any buffer property owned by the Company, or any adjacent property, including a description of how the Company is involving the City in those efforts.
 - f. An update to the Commission on the status of efforts to support the City's economic development efforts, including—to the extent possible—specific projects and investments the Company is assisting the City in attracting.
 - g. If the Commission approves Xcel's request in the current resource plan to construct a gen-tie line extending from the Sherco site, the city requests that Xcel also be required to include a description of the company's efforts to work with local governments and other stakeholders to assess and account for local land use and planning impacts prior to the company initiating any additional regulatory process to determine the final length and route of the gen-tie line.
 - h. Any other items the Commission or the Company see fit to include. If the information necessary to complete any of these items is not available to the Company at the time of each filing, the Company should detail the timeline on which it anticipates it will be able to provide the City with additional information.
 - i. The City further proposes that Xcel be required to file an update to the Commission annually between resource plan filings providing any new information on each of these items.
24. As part of the Company's next resource plan filing; or, in any event, no later than December 31, 2025 if no resource plan has been filed by that time, the Company shall submit to the Public Utilities Commission and the City of Oak Park Heights a detailed plan describing the Company's plans for the disposition of the King Plant site, equipment and buffer property. This report should include, at a minimum:
- a. The Company's plans and a detailed timeline to decommission and demolish the electric generation facility.
 - b. A detailed description of the timeline and steps necessary to remediate pollution at the site of the electric generating plant.
 - c. A description of any ongoing efforts by the Company to evaluate future uses for the plant site, any buffer property owned by the Company, or any adjacent property, including a description of coordination with or involvement of the City in those efforts.
 - d. A description of any ongoing efforts by the Company to evaluate future uses for the plant site, any buffer property owned by the Company, or any adjacent property, including a description of how the Company is involving the City in those efforts.
 - e. Update the Commission on the status of efforts to support the City's economic development efforts, including—to the extent possible—specific projects and investments the Company is assisting the City in attracting.
 - f. Any other items the Commission or the Company see fit to include.
 - g. If the information necessary to complete any of these items is not available to the Company at the time of each filing, the Company should detail the timeline

on which it anticipates it will be able to provide the City with additional information.

- h. The City further proposes Xcel be required to file an update to the Commission annually between resource plan filings providing any new information on each of these items.

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; Community Power – Jan 27*)
2. Require Xcel to align integrated distribution system planning and integrated resource planning processes. (*Mpls – Jan 26; Sierra/DSP – Jan 26; Community Power – Jan 27*)
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; Community Power – Jan 27 but strike “and electric vehicle additions” from c.*)

Other Commission Processes

4. Require Xcel to proactively plan investments in hosting capacity and other necessary system capacity to allow distributed generation, electric vehicle, and additional beneficial electrification additions consistent with DER deployment targets.
Revised by CUB in Jan 26 letter; Sierra/DSP – Jan 26; Mpls – Jan 26; Community Power – Jan 27 but strike “and electric vehicle additions”
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; Community Power – Jan 27*)
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; Community Power – Jan 27*)

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; Community Power – Jan 27*)
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; Community Power – Jan 27*)
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; Community Power – Jan 27*)
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; Community Power – Jan 27*)
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*)

New Since January 26

14. Require Xcel to make a compliance filing within 60 days of the Order in this docket discussing the work it is doing to support the integration of advanced technologies (including but not limited to hydrogen fuel and utility-scale energy storage) into its system. (*Xcel – Feb 1 Letter*)

II. Decision Option List from Intervening Parties January 26/February 1, 2022, Letters

Center for the American Experiment

- A5
- D.R1

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 except 1a, A5, A6, A7, A18,
- B4, B5, B14
- C1, C7
- D1, D.R3, D4, D11, D14, D15
- E1, E4, 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 or A29, A6 or A26, A11, A12 or A27, A14, A 25, A30, A31, A32
- B4 or B11 and B7
- C1
- D1, D.R3, D4 through D12, D16, D18, D22
- E1 through E12

OAG

- A35
- B10, B11, B14

Sierra Club/DSP

- A1d only – do not approve Lyons and Fargo CTs
- A26, A27, A29, A30, A31
- A32 (Sierra only, DSP takes no position)
- B4, B11
- C1, C7
- D1, D.R3, D16, D18, D22
- E1 through E12, especially E3

Xcel Large Industrial (XLI)

- A34
- B13
- C.R6
- D.R1

Xcel Energy

- A1, A2
- B1, B2, B12, B15
- C1
- D1, D3, D13, D14, D21
- E14