

Proposed Decision Options from Commissioner Schuerger include the following:
(This is a partial list of Decision Options supported by Commissioner Schuerger)

A. Resource Plan Preferences

Schuerger Revised A.1

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

A.1. Approve the Alternate Plan ~~as detailed~~ in Xcel's June 25, 2021 Reply Comments for planning purposes, and specifically approve 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 and find that such an extension is reasonable.
- i. Xcel to repower resources needed to provide blackstart services in 2025 and 2026

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- 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~~ January 26 Letter. Replaces Decision Option A1 from the Jan 12 Joint Decision Options. Supported by Xcel, CEO, LIUNA, Local 49, Carpenters, and CUB except 1a

Schuerger Revised A.2

A.2. Find that it is more likely than not that there will be a need for ~~approximately up to~~ 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 ~~approximately up to~~ 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, ~~and energy, with an annual average capacity factor of less than ten percent, 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: ~~energy availability to meet load for extended durations of energy in the context of the system as a whole,~~ 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~~ will be based on up-to-date systemwide modeling, ~~including corrected modeling of wind fleet variability and of exchanges with MISO,~~ 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

Proposed Decision Options from Commissioner Schuerger include the following:
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B. Resource Acquisition

Additional Decision Option B.16 is a combination and modification of existing Decision Options B2 and B15.

Schuerger Additional Decision Option B.16:

Direct Xcel to *acquire the renewable resources specifically approved in Order Point A1* using the following 2019 Xcel IRP Renewable Resource Bid Process:

- A. 60 days before an RFP is issued, Xcel must file a Notice Plan and RFP Language with the Commission.
 1. The filing must include at the minimum the following information:
 - i. Final RFP language
 - ii. Bidding parameters
 - iii. Evaluation criteria
 - iv. RFP timelines including expected filing, bid due date, Xcel bid due date, and filings made with the Commission
 - v. Procurement Timeline
 - vi. List of Potential Auditors and selected auditor
 - vii. Scope of work for Auditor Report including proposed deadlines
 - viii. Contingency plan in case of failed bidding process
 - ix. Any proposed shared cost or cost-saving mechanisms, and how those costs would be incorporated into the analysis of bids
 - x. Proposal for quarterly reports documenting RFP process
 - xi. Proposal for RFP advertisement
 2. RFP Parameters must include, at minimum:
 - i. The RFP must accept bids for build-own-transfers, power purchase agreements, and distribution level interconnection projects, unless the Commission has previously determined that the need may be satisfied by Company-owned resources.
 - ii. The RFP should not include geographic or ownership limitations, unless the Commission has previously determined that the need may be satisfied by specific locations or Company-owned resources.
 - iii. If Xcel bids, it must submit its bids one day before other bids are due.
 - iv. Any Xcel bids must be conducted by employees that are fully independent from those employees that develop the RFP, select the auditor, review bids, and file the bid results with the Commission.
 - v. Bid evaluation criteria must include, at minimum, the following:
 - a. Levelized cost;
 - b. Financial capability;
 - c. Project schedule;

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- d. Project design;
 - e. MISO queue position status;
 - f. Interconnection and network upgrades;
 - g. Energy production profile;
 - h. Site control;
 - i. Project output delivery plan;
 - j. Pricing options;
 - k. Project development milestones; and,
 - l. Exceptions to standard contract terms and conditions.
 - vi. If bids are to be located on a generation tie line, the evaluation shall incorporate the cost of the generation tie line unless it has already received all required Commission approvals.
- 3. Approval of Notice Plan and RFP Language
 - i. The Commission delegates authority to the Executive Secretary to approve and to direct minor changes to the Notice Plan and RFP Language, unless objections are filed within 15 days. If any objections are filed the matter will be brought before the Commission as soon as possible.
 - ii. If the Executive Secretary determines that there is no suitable auditor to review bids, the matter will be referred to the Office of Administrative Hearings for a contested case proceeding to evaluate bids and select resources instead of the selection process established in this order.
- B. Bid Evaluation
 - 1. When bids are received, Xcel shall file all documents with the Commission within 7 calendar days of receipt.
 - 2. 30 days after bids are received, Xcel shall file a summary of the bidding results.
 - 3. Once the auditor's report is complete, Xcel shall file with the Commission the full results of the bidding process, project rankings, its analysis, and the auditor's report.
 - 4. The Commission will determine which projects are selected following a notice and comment period.

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Schuerger Additional Decision Option B.17:

Direct Xcel to *acquire the firm dispatchable resources specifically approved through Order Point A2* using the following 2019 Xcel IRP Firm Dispatchable Bidding Process:

A. 60 days before an RFP is issued, Xcel must file a Notice Plan and RFP Language with the Commission.

1. The filing must include at the minimum the following information:
 - i. Final RFP language
 - ii. Bidding parameters
 - iii. Specific attributes of the resources to be acquired consistent with Order Point A2
 - iv. Evaluation criteria
 - v. RFP timelines including expected filing, bid due date, Xcel bid due date, and filings made with the Commission
 - vi. Procurement Timeline
 - vii. Contingency plan in case of failed bidding process
 - viii. Any proposed shared cost or cost-saving mechanisms, and how those costs would be incorporated into the analysis of bids
 - ix. Proposal for quarterly reports documenting RFP process
 - x. Proposal for RFP advertisement
2. RFP Parameters must include, at minimum:
 - i. The RFP must accept bids for build-own-transfers, power purchase agreements, and extensions of existing power purchase agreements.
 - ii. The RFP must not include geographic or ownership limitations.
 - iii. If Xcel bids, it must submit its bids one day before other bids are due.
 - iv. Any Xcel bids must be conducted by employees that are fully independent from those employees that develop the RFP, review bids, file the bid results with the Commission, and participate in the contested case process to select bids.
 - v. Bid evaluation criteria must include, at minimum, the following:
 - a. Levelized cost;
 - b. Financial capability;
 - c. Project schedule;
 - d. Project design;
 - e. MISO queue position status;
 - f. Interconnection and network upgrades;
 - g. Energy production profile;
 - h. Site control;
 - i. Project output delivery plan;

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- j. Pricing options;
 - k. Project development milestones; and,
 - l. Exceptions to standard contract terms and conditions.
 - 3. Approval of Notice Plan and RFP Language
 - i. The Commission delegates authority to the Executive Secretary to approve and to direct minor changes to the Notice Plan and RFP Language, unless objections are filed within 15 days. If any objections are filed the matter will be brought before the Commission as soon as possible.
- B. Bid Evaluation
 - 1. Once bids are received, Xcel shall file the results of the bids with the Commission, and the Commission shall determine which bids satisfy the requirements of the RFP.
 - 2. After determining which proposals satisfy the requirements of the RFP, the Commission will refer the matter to the Office of Administrative Hearings for a contested case proceeding to determine which projects should be selected.

Schuerger Additional Decision Option B.18:

Xcel shall issue Requests for Proposals for the following resource sets approved through Order Points A1 and A2:

- A. Approximately 720 MW of solar and/or solar-plus-storage on the Sherco gen-tie line by 2026
- B. Approximately 600 MW of solar and/or solar-plus-storage with no geographical or ownership limitations by 2026
- C. Up to 800 MW of firm dispatchable with no geographical or ownership limitations between 2027 and 2029
- D. Approximately 2150 MW of wind and 600 MW of solar and/or solar-plus storage between 2027 and 2032
- E. Approximately 600 MW of solar and/or solar-plus-storage on the King gen-tie line between 2028 and 2030

Schuerger Additional Decision Option B19:

If Xcel intends to acquire any other resources before the decision in its next IRP, it must file a bidding process for approval with the Commission in addition to any other regulatory process.

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D. Next IRP

Schuerger Revised D.1

D.1. Require Xcel to submit its next IRP by ~~June 30, 2023~~ February 1, 2024.

(Xcel, CEO – Jan 26, LIUNA, Local 49, Carpenters, Department – Jan 26; CUB – Jan 26;
Sierra/DSP – Jan 26; Mpls – Jan 26)

Schuerger Revised D.3

D.3 Require Xcel to work with stakeholders to develop a modeling construct that enables economic distribution connected solar to be modeled as resource additions ~~identification of economic distributed solar additions~~ as part of the Company's next resource plan. Xcel and stakeholders should address the following factors in its development of the modeling construct:

a. Using a "bundled" approach as is used to model energy efficiency and demand response;

b. The costs borne by the utility and the costs borne by the customer;

c. Cost effectiveness tests; and

d. Other topics as identified by stakeholders.

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)

Schuerger Revised D.6

D.6. Require Xcel to ~~take account for~~ local clean energy goals, in aggregate, in addition to state policy and existing incentives, into consideration in forecasting and modeling for the IRP. In particular, distributed generation in the plan should include consideration of local community generation goals. (SRA; Mpls – Jan 26)