

CITY--001

April 5, 2022

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, MN 55101

RE: AGREEMENT BETWEEN XCEL ENERGY AND CITY OF BECKER
DOCKET NOS. E002/M-20-891, E002/TL-21-189, E002/TL-21-190 AND
E002/GS-21-191

Dear Mr. Seuffert:

Northern States Power Company, doing business as Xcel Energy, and the City of Becker have mutually agreed to a resolution to their opposing viewpoints on one aspect of Xcel Energy's proposed 460 megawatt ("MW") alternating current ("AC") Sherco Solar Project ("Project"). The City of Becker has requested that five parcels of land, including parcel 20-134-1100, 20-134-1400, 20-134-4100, 05-005-2400, and 05-005-3000, totaling approximately 246.7 acres within the Project area, be removed from the Project for future commercial and economic development opportunities ("Exclusion Parcels"). The City has advocated that a modification of the Project's proposed footprint to remove the Exclusion Parcels would best balance Xcel Energy's important interests in developing sustainable energy sources with the needs of the local and state economies for additional economic development. Xcel Energy has maintained that the Exclusion Parcels should not be reserved for commercial or industrial development because there is an adequate supply of other land within the current Becker City Boundary for future economic development needs beyond the proposed 35-year life of the Project.

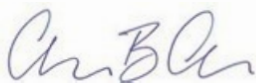
In the spirit of collaboration, Xcel Energy and the City of Becker request the Honorable Kimberly Middendorf recommend and the Minnesota Public Utilities Commission ("Commission") adopt and approve a modified site alternative 1 (Site Alternate 1A). "Site Alternative 1" considered in the Environmental Assessment ("EA") for the Project involves the removal of the Exclusion Parcels from the Project and a corresponding decrease in the nameplate capacity of the Project. However, rather than decreasing the nameplate capacity of the Project, Xcel Energy would like to keep the proposed nameplate capacity of the Project at 460 MW AC so that it can work to select equipment and refine the design of the Project to achieve up to 460 MW AC within the remaining land. Accordingly, "Site Alternative 1A" would involve the removal of the Exclusion Parcels but would not decrease the allowable up to 460 MW AC nameplate capacity for the Project. Xcel Energy will continue to evaluate Site Alternative 1A to identify possible design measures that would

allow to maximize the construction of up to 460 MW AC of nameplate capacity in the Project area. Refer to Attachment 1 identifying the Project Area of Site Alternative 1A.

Both Xcel Energy and the City of Becker understand that their agreement to jointly support Site Alternate 1A concerns only the Commission's site and route permitting procedures, and not the land lease agreements Xcel Energy entered into for these five parcels, which were signed voluntarily by landowners who desired to participate in the Project. The removal of these lands from utility scale solar development does not determine what these landowners may choose to do with their property within the confines of local, state, and federal rules and regulations. Xcel Energy further notes that this agreement between Xcel Energy and the City of Becker does not in itself affect any underlying lease agreements or private property rights associated with the five parcels in question. For example, as Xcel Energy previously indicated in the above dockets, the landowner in the East Block (i.e., RD Offutt) must consent to removal of any land from its lease with Xcel Energy and Xcel Energy cannot force RD Offutt to remove the land from the lease. However, Xcel Energy's agreement to not use the Exclusion Parcels for the Project will allow the landowners, if approached with a reasonable offer, to decide regarding the sale or development of their land in the future.

Xcel Energy and the City of Becker respectfully request that Judge Middendorf recommend, and the Commission approve Alternative 1A as described herein. Should the Commission select Alternative 1A, the City of Becker would withdraw its narrow objection to the footprint of the Sherco Solar Project as articulated in the City of Becker's previous filings in the above-referenced dockets and join Xcel Energy in requesting the Commission approve Xcel Energy's requests for a site permit and two route permits.

Sincerely,



Chris Clark
President, Xcel Energy,
Minnesota, South Dakota,
North Dakota



John Marshall
Director of Community Relations,
Xcel Energy



Tracy Bertram
Mayor, City of Becker



Jeff O'Neill
Interim City Administrator,
City of Becker