



February 20, 2024

Consumer Affairs Office
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
Saint Paul, MN 55101

Docket No. **E-002/CN-23-212**

Re: In the Matter of Xcel Energy's Competitive Resource Acquisition Process for up to 800 Megawatts of Firm Dispatchable Generation

Clean Grid Alliance (CGA) appreciates the opportunity to submit these comments in response to the January 26, 2024 Notice issued by the Minnesota Public Utilities Commission ("Commission") in docket E-002/CN-23-212.

CGA is a nonprofit organization headquartered in St. Paul and working in Minnesota, plus eight additional states in the Midwest. CGA's membership includes wind and solar developers, manufacturers, and nonprofit clean energy advocacy organizations. CGA is a vital player in the rapidly changing renewable energy sector; we are well known for our technical and policy expertise to advance renewable energy development opportunities and build a transmission system for our changing resource mix and electrification needs. CGA works extensively on implementing state policies, utility goals and requirements, and overall to achieve a transition to clean energy in the Midwest.

We submit these comments primarily to address the request for "Any other completeness or initial procedural issues that should be addressed before the review process and the evaluation of the merits begin."

Although we will be active in the merits of this docket, CGA believes a few considerations need to be proposed during the procedural phase of this docket. We offer the following items for consideration:

- Place a 50% self-build cap for Xcel in this Request for Proposals (RFP);
- Require that Xcel cannot charge ratepayers for overage costs above their bid price;
- Conduct cost prudence evaluation of proposal before accepting.

As filed, Xcel's proposal covers the entire 800 MW of this RFP, which, if accepted, is to the detriment of ratepayers. This self-built, self-owned proposal puts ratepayers at risk, exposing them directly to shifts in the cost of natural gas. If Xcel's proposal were adopted and gas prices rose dramatically, it would be potentially detrimental to Xcel's Levelized Cost of Electricity



(LCOE) and ultimately burden ratepayers. One way to avoid this is through asset diversification, leveling the playing field and ensuring competitive pricing for ratepayers.

CGA supports a requirement to diversify ownership in this proceeding, such as a 50% self-build cap. This restriction would limit risk exposure for ratepayers, as Independent Power Producers (IPP) generally shoulder some or much of the cost risk in Power Purchase Agreements (PPAs). Also, unless a PPA can be renegotiated, IPPs are not able to pass additional costs on to ratepayers. There needs to be a level playing field between Xcel and IPPs regarding costs that can be passed on to ratepayers.

Further, it is the policy of the state of Minnesota that utilities must provide their Minnesota customers with 100 percent carbon-free electricity by 2040. In the scenario that Xcel is permitted to build and own new fossil fuel generation, CGA would ask that the commission ensure ratepayers are not charged for overages above the bid price of these natural gas projects. We are confident the commission will ensure that proposals are evaluated for cost prudence before acceptance.

CGA looks forward to actively participating in this docket to reach an outcome that aligns with Minnesota's carbon free requirements, provides opportunities for clean technologies, and protects ratepayer interests.

Sincerely,

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Subject: Clean Grid Alliance COMMENTS: Docket No. E002/CN-23-212
Date: Tuesday, February 20, 2024 3:26:11 PM
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Hello,

Please find Clean Grid Alliance's comments on the docket E002/CN-23-212 attached (Same comments attached both as a .doc and as a .pdf for your convenience).

Please let me know if you have any questions or need more information.

Thank you,



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