

III. **Revised** Decision Options

(Staff Note) The decision options have been revised to: 1) group the issues (PPA approval and cost recovery) related to the solar proposal together, 2) split the decisions on the thermal projects to better reflect the May 23, 2014 Order requirements (first whether the terms are in the public interest, and second, which best fit Xcel's need), and 3) to add or modify decision options. New Options are noted below and modifications are underlined.

Need Update

A. Should any action be taken as a result of the need information provided by Xcel in its September 2014 Need Update and subsequent filings in this docket?

Solar Project

B. Should the Commission approve the solar power purchase agreement?

- 1) Find that the Aurora Project PPA terms are consistent with the public interest and consistent with the prices and terms used to evaluate its bid in this process, and approve the PPA between Aurora Distributed Solar, LLC and Xcel as filed on September 23, 2014.
- 2) **(New)** Find that the Aurora Project PPA terms, as amended in Xcel's December 12, 2014 filing in this docket (Exhibit A), are consistent with the public interest and consistent with the prices and terms used to evaluate its bid in this process. Approve the PPA between Aurora Distributed Solar, LLC and Xcel and require Xcel to execute the PPA as revised.
- 3) **(New)** Require Xcel, within 10 days of the Commission's Order in this matter, to file a compliance filing with the executed PPA.
- 4) Take no action.

C. Aurora Power Purchase Agreement - Cost Recovery

- 1) **(New)** Take no action on cost recovery at this time.
- 2) **(New)** Require Xcel, prior to terminating the Geronimo PPA on the basis of North Dakota denying a request for cost recovery, to bring the issue of cost recovery back to the Commission.
- 3) **(Old #1)** Approve Geronimo's request to allow Xcel to recover from its retail customers in Minnesota the aggregate costs incurred by the Company under the Geronimo PPA that are presently allocated by ratemaking mechanisms to the Company's Minnesota and North Dakota retail customers, under the specific fact scenario of this case, and subject to the following:
 - Require Xcel to continue its efforts to pursue cost recovery in other jurisdictions, including North Dakota, South Dakota, Wisconsin and Michigan.
 - Require that Minnesota retail ratepayers incur no costs associated with sales of wholesale energy.

- Open a separate proceeding in which Xcel is directed to make a specific proposal for implementing the requirements of the two bullet points above. The proceeding is also intended to identify and quantify benefits associated with the Geronimo project and determine how those benefits should be allocated to jurisdictions according to the jurisdictional recovery of project costs from ratepayers in those jurisdictions.
 - Delegate to the Executive Secretary the authority to issue notices and establish and amend time lines and procedures to implement the above process.
- 4) (Old #2) Deny without prejudice Geronimo's request for a finding on cost recovery and move all issues associated with PPA cost recovery to a separate proceeding.
 - 5) (Old #3) Deny Geronimo's request to allow Xcel to recover from its retail customers in Minnesota the aggregate costs incurred by the Company under the Geronimo PPA that are presently allocated by ratemaking mechanisms to the Company's Minnesota and North Dakota retail customers. Find that Xcel may recover only the Minnesota retail jurisdictional portion of the PPA costs from Minnesota retail ratepayers. Find that regulatory provisions in the PPA, specifically Term 6.1 and the definition of "State Regulatory Approval," should be stricken from the PPA.
 - 7) Take some other action.

Thermal Projects

D. Thermal PPA Terms and Conditions

- 1) Find that the Calpine Mankato PPA terms are consistent with the public interest and consistent with the prices and terms used to evaluate its bid in this process.
- 2) Find that the Invenenergy Cannon Falls PPA terms are consistent with the public interest and consistent with the prices and terms used to evaluate its bid in this process.
- 3) Find that the Black Dog 6 price terms are consistent with the public interest and consistent with the prices and terms used to evaluate its bid in this process.
- 4) Take no action.
- 5) Take some other action.

E. Which projects, if any, best address Xcel's overall system needs identified in this record and in the Commission's Marcy 5, 2013 Order and should be selected for approval?

- 1) Select the Calpine Mankato PPA as a resource that best fits Xcel's need and approve the PPA.
- 2) Select the Invenenergy Cannon Falls PPA as a resource that best fits Xcel's need and approve the PPA.
- 3) Select the Black Dog 6 price terms as a resource that best fits Xcel's need and approve the proposal.
- 4) Take no action.
- 5) Take some other action.

Miscellaneous

F. Geronimo Motion

- 1) Grant Geronimo's Motion to "not consider nor rely upon comments or information it receives as a result of Xcel's violation of the Protective Order."
- 2) Deny Geronimo's Motion
- 3) Take no action

Exhibit A
Amendment to Aurora PPA Section 6.1 and Definitions

6.1 Company CPs.

(A) On No later than September 23, 2014, Company ~~intends to file~~ an unexecuted draft of this PPA with the Minnesota Public Utilities Commission pursuant to the requirements of the Order. No later than ten (10) Days after receipt of an ~~outcome of the Order~~ from the Minnesota Public Utilities Commission approving requiring Company to execute this PPA ~~as consistent with the Order~~, Company shall file this PPA with the North Dakota Public Service Commission ~~pursuant to relevant regulatory requirements~~. Seller shall cooperate with Company's effort to seek State Regulatory Approval.

(B) Either Party shall have the right to terminate this PPA, without any further financial or other obligation to the other as a result of such termination, by Notice to the other Party not more than ten (10) Days after the earlier of: (i) fourteen (14) Days after receipt of written determinations by both State Regulatory Agencies that together do not constitute State Regulatory Approval, or (ii) six (6) months following the written request for State Regulatory Approval without receipt of State Regulatory Approval. If a Party fails to terminate this PPA in the time allowed by this paragraph, such Party shall be deemed to have waived its right to terminate this PPA under this Section 6.1 and this PPA shall remain in full force and effect thereafter.

"State Regulatory Agency(s)" means the Minnesota Public Utilities Commission or any successor agencies in the State of Minnesota and the North Dakota Public Service Commission or any successor agencies in the State of North Dakota.

"State Regulatory Approval" means a final, written order of one State Regulatory Agency, or if needed, both State Regulatory Agencies, that does not impose conditions unsatisfactory to the Company and is not subject to application for rehearing, re-argument and reconsideration, and that makes the affirmative determination that Company's execution of this PPA is reasonable prudent and or in the public interest, and that ~~100% of the~~ see costs incurred by Company under this PPA as presently allocated by ratemaking mechanisms to Company's Minnesota and North Dakota jurisdictions are recoverable, in the aggregate, from the Company's Minnesota and/or North Dakota retail customers ~~of both States or if only one State then from the retail customers of that State (without application of jurisdictional allocators or other reductions to reflect multi-state operations) pursuant to Applicable Law. The preceding is,~~ subject only to the requirement that the State Regulatory Agency retains ongoing prudency review of Company's performance and administration of this PPA.