

VII. Commission Decision Options

Approval of Resources

Staff recommends Options 3 (a-c)

1. Approve the petition by Xcel Energy to add 1,550 MW of wind resources to its system.
2. Approve select projects in Xcel's petition:
 - a. Xcel's Portfolio:
 - i. Blazing Star I
 - ii. Blazing Star II
 - iii. Foxtail
 - iv. Freeborn
 - b. Lake Benton
 - c. Crowned Ridge
 - d. Clean Energy #1
3. Approve the petition by Xcel Energy to add 1,550 MW of wind resources to its system with additional provisions (as outlined by the Department)
 - a. Find:
 - the Commission will hold Xcel accountable for the prices and terms used to evaluate each of the selected projects for the purpose of cost recovery from Xcel ratepayers
 - ratepayers will not be put at risk for any costs that are higher than bid or for assumed benefits that do not materialize
 - ratepayers must be sufficiently protected from risks associated with the non-deliverability of accredited capacity and/or energy from the projects
 - order Xcel to report in its monthly fuel clause filings and annual automatic adjustment (AAA) filings the amount of any curtailment payments, along with explanations for the curtailments
 - require Xcel to account, clearly and separately, for all costs, including costs related to capital, operation and maintenance expense, and any other costs related to these facilities
 - b. Acknowledge Xcel's commitment to file a compliance filing in January 2018 that provides an update on each approved project status. (DOC)
 - c. Require the Company to report quarterly, until the projects are in service, project failures along with the options available to the Commission to remedy the failure. (DOC)
 - d. Require Xcel to file a list of back-up projects that can be utilized if any project fails (CEOs)

Property Acquisition Authorization

Staff recommends Options 4 and 5

4. Find that the acquisition of the applicable projects are consistent with the public interest (in accordance with Minn. Stat. § 216B.50). (DOC)
 - a. MN Projects: Blazing Star I, Blazing Star II, Freeborn, Lake Benton
 - b. Non-MN Projects: Foxtail, Crowned Ridge

5. Grant the requested variance to Minn. R. 7825.1800 (B) to not require the filing of the information required by Minn. R. 7825.1400 (A)-(J). (DOC)

Certificate of Need Exemption

Staff recommends Option 6

6. Confirm that Blazing Star I and II, Freeborn, and Lake Benton are exempt from the requirement to obtain a certificate of need pursuant to 216B.2422, Subd. 5.

Cost Recovery

Staff recommends none, Option 3 is sufficient

7. Approve Xcel's proposed aggregate cost cap for their four self-build portfolio. (Xcel)
8. Approve Xcel's portfolio on an individual project hard cap basis based on individual project LCOEs. (Suggested by several parties and Department, but not recommended by the Department)
9. Approve a 95/5 cost shared mechanism as outlined by the OAG. (OAG)
10. Take no action on the cost recovery structure until Xcel files a petition for cost recovery.

RES Resource

Staff recommends Option 11

11. Find that Xcel's proposals to acquire 1550 MW of wind resources is a reasonable and prudent approach to meeting its obligation under Minnesota's Renewable Energy Standard. (DOC)

Small Project Repowering Proposals

Staff recommends Option 12, or taking no action

12. Order Xcel to provide projects of less than 12 MW, the threshold at which the Company's competitive bidding process applies, a reasonable period (perhaps 60 days) to provide proposals for re-powering existing facilities.

Other Options

Staff recommends taking no action

13. Require Xcel to implement additional construction and labor best practices. (Laborer Groups)
14. Find that 1,550 MW is the minimum amount of wind that Xcel should acquire
15. Find that Xcel could, within its discretion, petition the Commission for approval of additional projects from this RFP)