

The Commission met on **Tuesday, May 14, 2019**, with Chair Sieben and Commissioners Lipschultz, Means, Schuerger, and Tuma present.

The following matters were taken up by the Commission:

E-002/M-19-39

E-002/M-19-60

In the Matter of the Petition by Northern States Power Company d/b/a Xcel Energy-Minnesota for Approval of Contracts and Ratemaking Treatment for Provision of Electric Service to Google's Data Center Project

Commissioner Lipschultz moved to do the following:

1. Regarding the Retail Electric Service Agreement (ESA) between Northern States Power Company d.b.a. Xcel Energy (Xcel or the Company) and Google LLC (Google) –
 - A. Approve the ESA.
 - B. Approve cost recovery through the relevant ratemaking mechanism of the costs and expenses associated with obtaining the renewable energy required by the renewable sourcing plan throughout the term of the ESA.
2. Regarding the Renewable Sourcing Plan –
 - A. Approve the proposed clean energy plan to use two power purchase agreements (PPAs) for electricity from wind turbines--one with Dakota Range III, LLC (Dakota Range III) and another to be announced—for purposes of Xcel's energy obligations to Google under the proposed ESA.
 - B. Approve the proposed clean capacity plan of not adding clean capacity at this time with future additions to be reviewed by the Commission.
 - C. Approve Xcel's request to "procure the additional renewable resources necessary to comply with its obligations under the ESA."
 - D. Approve Xcel's proposed "negative check-off proposal" for future renewable resource acquisitions made pursuant to the ESA on condition that any negative check-off filing by Xcel contain information regarding:
 - a Google-specific renewable energy credit forecast;
 - how the size, type, and timing of the need were determined;
 - the process (request for proposals, informal review, etc.) used for identifying the proposed project and how it was carried out; and

- Xcel's evaluation of the factors that differentiated the proposed project from others (such as cost, interconnection queue, environmental impact, risks, etc.).
- E. Approve Xcel's request that the costs associated with the renewable sourcing plan are recoverable, now and in the future, either through the Fuel Clause Rider or future rate cases, with the protection that a net loss would require a review in the annual fuel clause review with a recovery determination made at that time.
- 3. Regarding the Competitive Response Rider (CRR) Agreement –
 - A. Approve the CRR.
 - B. Approve Xcel's request to reflect the difference between the negotiated rate and the standard rate in the test year in a future rate case.
 - C. Require Xcel to provide in future rate cases when Xcel is including costs and revenues related to Google an update to both the overall Incremental Cost and Benefit Analysis and the Rate Case Incremental Cost and Benefit Analysis as recommended in the February 15, 2019 comments of the Minnesota Department of Commerce.
 - D. Require Xcel to make a compliance filing showing that other ratepayers would not be harmed and that changes would not result in double recovery of costs.
 - E. Require Xcel to keep the Commission fully informed in advance if the Company intends to exercise its options under the agreements.
 - F. Approve Xcel's proposed Fuel Clause Adjustment recovery treatment for Google, with the protection that a net loss would require a review in the annual fuel clause review with a recovery determination made at that time.
 - G. Upon a change to Google's rider rates during the term of the agreement, require Xcel Energy to make a filing showing how other ratepayers would not be harmed and support that such a change would not result in double recovery of costs, and to seek waivers in the event they are required.
- 4. Approve the amendments to the Competitive Response Rider (CRR) Tariff. Approve the proposed CRR Tariff language regarding changing the minimum demand threshold and changing the maximum duration.
- 5. Approve the Interconnection Agreement.
 - A. Approve Xcel's proposed recovery of the interconnection costs and of Xcel's requested one-time waiver of Xcel's tariff provisions related to customer contributions for the interconnection of Google.

- B. Approve the requested ratemaking treatment of Xcel Energy's costs associated with the facilities used to provide electric service to the Becker data center at transmission voltage.

6. Regarding Xcel's duty to make a compliance filing –

A. Require Xcel to provide annual compliance filings including at a minimum:

- An updated version of the incremental cost analysis included in the Company's initial petition
- the most recent data center load forecast and Renewable Energy Credit forecast;
- modeling showing the size, type, and timing of any expected incremental renewable energy Xcel might pursue as part of its renewable sourcing plan;
- a discussion of the Company exercising any of its options under the agreements, if any;
- a discussion of the Company exercising its right to use existing non-Incremental New Generation Renewable Energy Credits (RECs) pursuant to ESA paragraph number 5.5.3 along with their plans to replenish those RECs as required by the ESA, if any; and
- a discussion of any recent notices or demands under the ESA made by Google including that for the procurement of new load, notice of any expected material deviations from Customer's Load Forecast, and/or notice that would give rise to the need for new incremental facility acquisition.

B. The Company shall propose in its compliance filing a timeframe for making the filings.

C. The Commission's Executive Secretary shall set deadlines for the annual compliance filings.

Commissioner Tuma proposed amending the motion at 3.E. as follows:

Require Xcel to keep the Commission fully informed in advance of if :

- the Company's ~~intends~~ intention to exercise its options under the agreements,
- the Company exercising its right to use existing non-Incremental New Generation RECs pursuant to ESA paragraph number 5.5.3 along with their plans to replenish those RECs as required by the ESA, and
- any and all notices or demands under the ESA made by Google including that for the procurement of new load, notice of any expected material deviations from Customer's Load Forecast, and/or notice that would give rise to the need for new incremental facility acquisition.

Commissioner Lipschultz accepted the amendment.

Commissioner Tuma proposed amending the motion to require Xcel to provide a more detailed description of its negative check-off process.

Commissioner Lipschultz amended the motion to require Xcel, within 90 days, to make a compliance filing detailing the negative check-off process and the mechanisms by which anyone who wants to object will be able to object.

The amended motion passed 5–0.

E-002/M-18-765

In the Matter of the Petition by Northern States Power Company, d.b.a. Xcel Energy, for Approval of a Power Purchase Agreement with Dakota Range III, LLC for 151.2 MW of Wind Generation

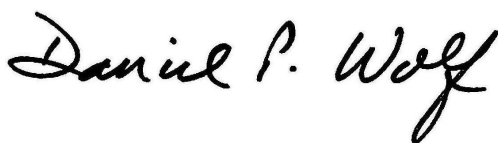
Commissioner Tuma moved to do the following:

1. Approve Xcel's Dakota Range III PPA.
2. Find that Xcel may recover from Minnesota retail customers through Xcel's Fuel Clause Rider (Minn. Stat. § 216B.1645) the Minnesota jurisdictional portion of the amounts incurred by Xcel during the full term of the PPA.
3. Require Xcel to report in its annual fuel clause true-up filings the amount of any curtailment payments, along with explanations for the curtailments.
4. Require Xcel to make a compliance filing 6 months and 12 months from the date of the Commission's order that provides an update on the status of Dakota Range III.

The motion passed 5–0.

There being no further business, the meeting was adjourned.

APPROVED BY THE COMMISSION: September 18, 2019



Daniel P. Wolf, Executive Secretary