

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

LeRoy Koppendrayer	Chair
David C. Boyd	Commissioner
Marshall Johnson	Commissioner
Thomas Pugh	Commissioner
Phyllis A. Reha	Commissioner

In the Matter of Northern States Power  
Company d/b/a Xcel Energy's Application for  
Approval of its 2005-2019 Resource Plan

ISSUE DATE: August 31, 2007

DOCKET NO. E-002/RP-04-1752

In the Matter of Northern States Power  
Company d/b/a Xcel Energy's Emissions  
Reduction Project at its Sherburne County  
Generating Plant

DOCKET NO. E-002/M-07-2

ORDER EXTENDING DEADLINES FOR  
FILING CERTIFICATE OF NEED  
APPLICATIONS

**PROCEDURAL HISTORY**

On October 18, 2006, the Commission issued its ORDER AFTER RECONSIDERATION CLARIFYING FILING REQUIREMENTS, REQUIRING NOTICE TO ALTERNATIVE PROVIDERS, SETTING DEADLINES FOR BASELOAD PROPOSALS, AND ACCEPTING REPORTS in Docket No. E-002/RP-04-1752, *In the Matter of Northern States Power Company d/b/a Xcel Energy's Application for Approval of its 2005-2018 Resource Plan*. That Order addresses the plans of Northern States Power Company d/b/a Xcel Energy (Xcel) to, among other things, upgrade its Sherco, Prairie Island, and Monticello baseload power plants. In Ordering Paragraph 2 the Commission directed Xcel to request by September 1, 2007, any Certificates of Need required to implement its proposed upgrade plans.

On July 20, 2007, Xcel filed, among other things, a request to suspend the September 1, 2007, deadlines in Docket Nos. E-002/RP-04-1752 and E-002/M-07-2 related to its plans to upgrade its Sherco, Prairie Island, and Monticello power plants.

On July 31, 2007, the Commission solicited comments on, among other things, a proposal to extend Xcel's September 1 filing dates by one month to provide additional time to review Xcel's requests.

On August 23, 2007, the Commission addressed whether to extend Xcel's September 1 filing dates by one month.

## FINDINGS AND CONCLUSIONS

### **I. Legal Background**

#### **A. Certificate of Need**

Various laws govern a utility's choice of facilities. For example, before building a power plant generating 50,000 kilowatts or more, or increasing the capacity of an existing plant by more than 10 percent or 100 megawatts, a utility must obtain a Certificate of Need demonstrating that the proposal is needed.

#### **B. Resource Planning**

In addition, the Legislature directs electric utilities to file resource plans designed to ensure the provision of reliable electricity in a cost-effective manner. A resource plan contains a set of demand-side and supply-side resource options that the utility could use to meet the needs of retail customers throughout a forecast period. Through the process of creating a resource plan, a utility can identify the least-expensive reliable combination of supply- and demand-side resources that will meet the utility's requirements, consistent with state and federal law and public policy.

Changes in circumstances, however, can alter a utility's plans. The Commission directs each utility to inform the Commission of changed circumstances that may affect the implementation of the utility's resource plan.

### **II. Xcel's Request**

On July 20, 2007, Xcel filed a notice of changed circumstances related to its resource plan. Xcel argues that the new laws adopted by the 2007 Minnesota Legislature – specifically the Renewable Energy Standard (Laws 2007, Chapter 3) and the Energy and Efficiency Act (Laws 2007, Chapter 136, Article 2) – change the circumstances under which Xcel's resource plan was adopted, and under which Xcel was drafting its new resource plan.

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<sup>1</sup> Minn. Stat. § 216B.2421, subd. 2.

<sup>2</sup> Minn. Stat. § 216B.243, subd. 8(6).

<sup>3</sup> Minn. Stat. § 216B.243, subd. 2; Minnesota Rules chapter 7849.

<sup>4</sup> Minn. Stat. § 216B.2422, subd. 1(d).

<sup>5</sup> Minn. Rules, part 7843.0500, subp. 5.

According to Xcel:

- The Renewable Energy Standard will require Xcel, by 2020, to acquire 30 percent of the amount of electricity it sells at retail from qualified renewable sources, including 25 percent from wind power. Xcel estimates that this legislation will require Xcel to add 3000 to 3400 megawatts (MW) of wind-powered generation to its system.
- Xcel estimates that its current demand-side management programs help it reduce retail electric sales by approximately 0.8 percent. In contrast, the new Energy Efficiency and Conservation Act will require Xcel to adopt programs by 2010 to reduce retail electric sales by 1.5 percent – that is, to produce nearly twice the current level of savings.

As a result of these changed circumstances, Xcel seeks authorization to accelerate the date for filing a new resource plan to replace the existing plan, to change its schedule for acquiring new resources, and to suspend the Commission-imposed deadlines for requesting Certificates of Need.

### **III. Responses to Xcel's Request**

The Commission solicited comments on Xcel's notice of changed circumstances. In particular, the Commission solicited comments on a proposal to extend Xcel's September 1 filings until October 1, 2007, in order to provide additional time to analyze Xcel's filing.

A number of parties have filed responses on the merits of Xcel's notice of changed circumstances, but none has objected to extending the September 1 filings to October 1, 2007.

### **IV. Commission Action**

The task of analyzing Xcel's circumstances in light of recent legislative changes will require more time than provided by the filing schedule adopted in the Commission's October 18, 2006 Order. No party has alleged any prejudice arising from extending the September 1, 2007 deadline to October 1, 2007. Given the need for additional time and the lack of opposition to extending the September 1 deadline, the Commission will extend the deadline accordingly.

### **ORDER**

1. Ordering Paragraph 2 of the October 18, 2006 Order in Docket No. E-002/RP-04-1752 is modified to extend to October 1, 2007, the time to request any Certificates of Need required to implement Xcel's plans to upgrade the Sherco, Prairie Island, and Monticello baseload power plants.

2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar  
Executive Secretary

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