



Upper Midwest Energy Plan (aka IRP) Update

Energy Transition Advisory Meeting

June 5, 2025

NSP System Settlement Approved

- Combined and **settled two complex proceedings**
 - 2024-2040 Upper Midwest Integrated Resource Plan
 - 800 MW Firm Dispatchable Competitive Resource Acquisition proceeding (stemmed from last IRP)
- **Streamlined both proceedings**, including avoiding testimony and evidentiary hearings in 800 MW docket
- **Results in significant resource additions** for the Company to meet energy and capacity needs and carbon reduction goals
- **Minnesota Commission approved** – Order dated Apr 21, 2025

NSP System Settlement Approval Highlights (1 of 2)

- Resource targets for acquisition in the IRP 5-year Action Plan:
 - Wind – 3,200 MW through 2030 (2,800MW projected to connect to the Sherco GenTie)
 - Solar – 400 MW through 2030 (projected to use the King GenTie)
 - Standalone Storage – 600 MW by 2030 (120 MW projected on Sherco GenTie)
- Agreement on the process for resource acquisitions in the IRP 5-Year Action Plan
- Selected projects from the Firm Dispatchable proceeding
 - Self-Build
 - New Xcel Energy Lyon County CT (420 MW) – *Certificate of Need & Permits filed May 9*
 - Sherco West BESS (300 MW) – *Site permit in progress*
 - PPAs
 - Two PPA Extensions – Natural gas and Natural gas-storage hybrid resources
 - Two new PPA-based solar and wind hybrid projects (*one withdrew due to interconnection & tariff uncertainty*)
- Resource Life Extensions
 - Nuclear (*for planning purposes*) – Monti to 2050 (additional 10 years) and Prairie Island 1&2 to 2053 and 2054, respectively (additional 20 years)
 - RDF – Red Wing and Mankato plants to 2037

NSP System Settlement Approval – Highlights (2 of 2)

- Continue exploring options for a thermal battery pilot with Rondo Energy
 - File by Dec 31, 2025.
- File a Distributed Capacity Procurement proposal by Oct 3, 2025*
- Demand Response – add incremental 60-70 MW
- Energy Efficiency – set goal at annual average of 580 GWh (programmatic)
- Proposal for new rate or sub-class for super-large customers by Jul 16, 2025
- Consult with the Department and consider filing a voluntary carbon-free electricity procurement program that enables more customers to achieve annual CFE goals and increase hourly matching CFE levels by Jul 16, 2025
- File next IRP 24 months from the Commission Order approving the Settlement
 - Numerous additional requirements

* The DCP is distribution-connected Distributed Energy Resources (DER) strategically deployed in constrained areas to bring benefits to both the distribution grid and the bulk system. The DCP concept is a “virtual power plant” that would dispatch the distributed DER to function akin to demand response programs where and when needed to maximize the efficiency of existing infrastructure

Minnesota Energy Connection Approved

A new 345-kV double-circuit transmission line between the existing Sherco Substation in the city of Becker in Sherburne County and a new substation (Garvin Substation) near the city of Garvin in Lyon County.

Approx 175 miles in length.

Note: Verbally approved April 10, 2025. Order pending.

