



414 Nicollet Mall  
Minneapolis, MN 55401

December 9, 2013

— VIA E-MAIL & FEDERAL EXPRESS —

Darrell Nitschke  
Executive Secretary  
North Dakota Public Service Commission  
State Capitol Building  
600 East Boulevard, Dept. 408  
Bismarck, ND 58505-0480

RE: NORTHERN STATES POWER COMPANY FOR  
ELECTRIC RATE INCREASE APPLICATION  
LATE FILED EXHIBITS  
CASE NO. PU-12-813

Dear Mr. Nitschke:

During technical hearings, additional information was requested by various parties. These items were identified for the record and pre-admitted as “late-filed exhibits”. We submit Exhibit P as follows:

Ex. P            Minnesota Renewable and Environmental Legislative  
                         and Major Regulator Actions

We regret the untimely nature of this filing and apologize to the Commission for not providing it sooner. This submittal completes all requested late filed exhibits from Xcel Energy. Please contact me if you have any questions regarding the information included in the exhibits. I can be reached at [debra.j.paulson@xcelenergy.com](mailto:debra.j.paulson@xcelenergy.com) or 612-330-7571.

Darrell Nitschke  
December 9, 2013  
Page 2 of 2

Sincerely,

A handwritten signature in cursive script that reads "Debra J. Paulson". The signature is written in black ink and is positioned above the printed name.

DEBRA J. PAULSON  
MANAGER, RATE CASES  
NORTHERN STATES POWER COMPANY

cc: Via Electronic Mail Only:  
Bonny M. Fetch, Administrative Law Judge  
Illona Jeffcoat-Sacco, NDPSC Advisory Staff  
Ryan Norrell, NDPSC Advocacy Staff  
Kari Valley, NSP  
Rick Johnson, Moss & Barnett  
Denise Andahl, Emenith & Associates

ND Electric Rate Case (Case No. PU-12-813)  
Chronology - MN Renewable and Environmental Legislative and  
Major Regulatory Actions

**PRAIRIE ISLAND REQUIREMENTS – LEGISLATIVE CHRONOLOGY**

Xcel Energy’s nuclear units operate in conformance with licenses granted by the Nuclear Regulatory Commission (“NRC”). In order to operate those plants safely, it is necessary to have a plan to dispose of or store spent nuclear fuel. Without adequate storage capacity (or a disposal plan) it would not be possible to continue operating the Company’s nuclear plants once they ran out of storage.

By the early 1990s, Xcel Energy was required to develop a plan for storage or disposal to facilitate the ongoing operation of its nuclear units, particularly the units at our Prairie Island station. A significant debate occurred regarding whether on-site dry-cask storage should be allowed. This debate culminated in a comprehensive legislative effort as described below.

The 1994 legislation imposed a variety of requirements on the Company. That legislation has been modified and supplemented a number of times. In this section, we provide a chronology of that legislation and the requirements placed on Xcel Energy as a result of our nuclear units.

**1994**

In 1994, the Minnesota legislature passed a series of laws with three primary impacts. First, Xcel Energy was allowed to install dry-casks at Prairie Island to allow for the continued operation of that plant. Second, Xcel Energy was required to enter into contracts for the purchase of specified renewable energy resources (wind and biomass) as a condition of being allowed the dry-cask storage. Third, the Company was required to fund a Renewable Development Fund (“RDF”) to develop alternative energy resources. *See, Minn. Stats. §§ 216B.2423, 216B.2424, 116C.773, 116C.779.*

- Minn. Stat. §116C.779 authorized up to 17 casks for storage of spent nuclear fuel provided certain requirements were met, including compliance with the wind and biomass mandates described below. S.F. No. 1706, 78th Leg., Reg. Sess. (Minn. 1994).

- Minn. Stat. § 116C.773 prohibited the installation of additional dry cask storage at the Prairie Island nuclear facility unless and until the Company entered into a binding agreement to fulfill the wind and biomass mandates with the State of Minnesota. S.F. No. 1706, 78th Leg., Reg. Sess. (Minn. 1994). The legislation also made the Prairie Island Indian Community (PIIC) a third-party beneficiary to that agreement. *Id.*
- Minn. Stat. § 216B.2423 required the 425 MW of wind energy be acquired by 2002. S.F. No. 1706, 78th Leg., Reg. Sess. (Minn. 1994). Additionally, Minn. Stat. § 216B.2423, Subd. 2 provided that Xcel Energy was required to acquire an additional 400 MW of wind if the Minnesota Public Utilities Commission (MPUC) determined that it would meet resource planning needs and was consistent with the principles of least cost planning.
- Minn. Stat. § 216B.2424 required that a public utility operating a nuclear powered electric generating plant must acquire 125 MW of qualifying “closed-loop” biomass energy. S.F. No. 1706, 78th Leg., Reg. Sess. (Minn. 1994). Of this amount, the statutory definitions provide that some portion of the biomass mandate should be dedicated to a St. Paul district heating and cooling system cogeneration facility. This ultimately resulted in the St. Paul Cogeneration PPA that was one of the contracts that was addressed in the rate case. Minn. Stat. §216B.2424, subd. 5 (b)(3)(d).
- Minn. Stat. § 116C.779 established the RDF to support renewable projects and renewable research and development and required a public utility to pay \$500,000/cask per year for any part of the year spent fuel is stored at Prairie Island. S.F. No. 1706, 78th Leg., Reg. Sess. (Minn. 1994).

## **1995**

Minn. Stat. § 216B.2424 was amended to provide terms and conditions for satisfying the biomass power mandate. S.F. 1670, 79th Leg., Reg. Sess. (Minn. 1995). This was found to be necessary to ensure robust competition for biomass resources and to facilitate developing successful projects.

## **1996**

Minn. Stat. § 216B.2424 was amended again to create an interim exception to the “closed loop” requirement for those biomass projects proposing to use short rotation woody crops as its primary fuel and other biomass. H.F. No. 2419, 79th Leg., Reg. Sess. (Minn. 1996). This amendment was viewed as necessary to encourage project

participation and the “closed loop” requirement, in practice, limited the range of options.

Minn. Stat. § 216B.2424 was also amended to create a fuel exemption allowing non-biomass fuel sources to be used to satisfy up to 25 percent of the fuel requirements of a biomass power facility selected to satisfy the biomass power mandate. *Id.* This amendment provided greater flexibility to allow projects to encourage more cost-effective proposals.

The 1996 amendment to Minn. Stat. § 216B.2424 also required a biomass project developer to demonstrate sufficient financial viability necessary for the construction and operation of the biomass project. *Id.*

### **1997**

Minn. Stat. § 216B.2423 was amended to require the development of a standard form contract for the purchase of energy from Minnesota based wind projects less than 2 MW in size. H.F. No. 2150, 80th Leg., Reg. Sess. (Minn. 1997). This “small wind” requirement was designed to encourage implementation of small and locally-owned wind projects.

### **1998**

Minn. Stat. § 216B.2424 was amended to create an additional provision to the fuel exemption, allowing non-biomass fuel sources during a time when biomass fuel sources are not reasonable available to a facility due to circumstances constituting an act of God. H.F. No. 3042, 80th Leg., Reg. Sess. (Minn. 1998). This amendment was designed to facilitate flexibilities to potential biomass projects that encountered unforeseen circumstances.

### **1999**

Consistent with the 1994 amendments to Minn. Stat. § 216B.2423, subd. 2, the MPUC determined that the Company’s acquisition of the additional 400 MW of wind met resource planning and least cost requirements in *Order Modifying Resource Plan, Requiring Additional Wind Generation, Requiring Further Filings, and Setting Standards for Next Resource Plan Filing*, Docket No. E-002/RP-98-32 (Feb. 17, 1999). Consequently, the Company’s wind mandate requirements were increased from 425 MW to 825 MW.

Minn. Stat. § 216B.2423 was further amended to provide a preference for acquisition of Minnesota based wind generation. The amendment specified that it did not prevent building a facility outside of Minnesota if selection of an in-state facility would be contrary to the setting of just and reasonable rates. H.F. No. 1940, 81st Leg., Reg. Sess. (Minn. 1999).

Minn. Stat. § 116C.779 was amended to require that preference be given to the development of renewable energy projects located within Minnesota, and allowing expenditures from the renewable development fund account to be made only after obtaining approval by the MPUC. H.F. 1940, 81st Leg., Reg. Sess. (Minn. 1999).

## **2000**

Minn. Stat. § 216B.2424 was amended in several substantive ways.

- The fuel exemption was amended to create an additional provision allowing agricultural crop wastes to be used to satisfy more than 25 percent of the fuel requirements subject to certain conditions. H.F. No. 2757, 81st Leg., Reg. Sess. (Minn. 2000).
- The biomass mandate was also amended, creating terms and conditions for a facility using poultry litter as its primary fuel source, including the limitation of such a facility to provide no more than 50 megawatts of capacity and requiring the facility to enter into a contract with the public utility for such capacity. *Id.* This statutory amendment was designed to facilitate the development of the FibroMinn project that was ultimately completed and is one of the contracts that was addressed in the rate case.
- If a public utility filed such a contract with the MPUC, Minn. Stat. § 216B.2424 was amended to require the MPUC to conduct a preliminary review of the contract within thirty days of filing to ensure the contract meets the criteria of the statute. *Id.*
- Minn. Stat. § 216B.2424 was also amended to require the MPUC to approve, modify, or approve by July 1, 2001, all contracts submitted by a public utility as of September 1, 2001 to meet the biomass mandate, and to require those public utilities seeking to increase the generating capacity of a project prior to the effective date of the 2000 amendment to notify the MPUC by September 1, 2000. *Id.*

The 2000 amendments to Minn. Stat. § 216B.2424 also added several new subdivisions. *Id.*

- Subdivision 6 was added to govern biomass energy mandate compliance for any megawatts of biomass power generating capacity remaining after the MPUC has taken final action on contracts filed by September 1, 2000. *Id.* This subdivision also requires a public utility to submit proposals to the MPUC to complete the biomass mandate, and requires the public utility to issue a request for competitive proposals for projects. *Id.*
- Subdivision 7 was added to prohibit the MPUC from approving projects proposed after the effective date of the amendment which would have an adverse impact on the ability of a project approved before the effective date of the act to obtain an adequate supply of the fuel source designated for the project. *Id.*
- Subdivision 8 was added to create an agricultural biomass requirement that at least 75 megawatts of the 125 megawatts to be required under the biomass mandate to be generated by facilities that use agricultural biomass as the principal fuel source. *Id.*

## **2001**

Minn. Stat. § 116C.83 was adopted, authorizing additional dry cask storage for spent nuclear fuel at Prairie Island through the plant's initial license period. The statute provided that the additional dry cask storage was subject to the certificate of need requirement and that, in any such proceeding, the MPUC could issue a decision that resulted in the shutdown of the plant. In considering the application for a certificate of need for additional dry cask storage, the MPUC was authorized to consider whether the utility owning the plant had complied with Minn. Stat. §216B.1691, the renewable energy objective. The statute also provided an opportunity for legislative review of the MPUC's decision. H.F. No. 9, 82<sup>nd</sup> Leg., 1<sup>st</sup> Spec. Sess. (Minn. 2001).

Minn. Stat. § 216B.2424 was amended to require a public utility that operates a nuclear generating plant in the State of Minnesota to accept and consider, on an equal basis with other biomass proposals, a proposal by a small business-sponsored independent power producer facility located within the northern quarter of the state for ten to twenty megawatts of capacity. H.F. No. 1, 82<sup>nd</sup> Leg., 1<sup>st</sup> Spec. Sess. (Minn. 2001). The project was required to have the capacity operational by December 31, 2002.

## **2002**

Minn. Stat. § 216B.2424 was amended for one non-substantive, grammatical change. H.F. No. 3163, 82<sup>nd</sup> Leg., Reg. Sess. (Minn. 2002).

2003

Minn. Stat. § 216B.2424 was amended to require a small business-sponsored independent power producer facility providing ten to twenty megawatts of capacity under the biomass mandate to be under construction by December 31, 2005. S.F. No. 1505, 83rd Leg., Reg. Sess. (Minn. 2003).

Minn. Stat. § 216B.2424 was also amended to raise the megawatts provided by a facility using poultry litter as its primary fuel source from 50 to 55 megawatts of this capacity.

Minn. Stat. § 216B.2424 was amended to raise the megawatts provided by a St. Paul district heating and cooling system cogeneration facility utilizing waste wood as a primary fuel source from 25 to 33 megawatts of this capacity. H.F. No. 9, 83rd Leg., 1st Spec. Sess. (Minn. 2003).

Minn. Stat. § 216B.2424 was also amended to reduce the biomass mandate from 125 to 110 megawatts, and to require the MPUC to approve certain pending requests for an amendment and assignment of a contract for power from a facility using short-rotation woody crops as its primary fuel. *Id.*

Minn. Stat. § 116C.779 was amended to revise the Company's payments to the renewable development fund from a per cask amount to \$16 million per year. H.F. No. 9, 83rd Leg., 1st Spec. Sess. (Minn. 2003). Amendments also required:

- Up to \$6 million of RDf funds be directed to fund Renewable Energy Production incentives (REPI), a program directed by the Minnesota Department of Commerce which encourages development of small wind and biomass resources.
- That \$10 million be paid from the RDF to the University of Minnesota Initiative for Renewable Energy and the Environment (IREE), under Minn. Stat. § 216B.241..

Minn. Stat. § 216B.1645, subd. 4 was amended to provide for a settlement with PIIC to provide for annual payments of up to \$2.5 million. H.F. 9, 83<sup>rd</sup> Leg., 1<sup>st</sup> Spec. Sess. (Minn. 2003). The Company executed a settlement agreement with the PIIC, providing for annual payments of \$2,250,000.

2004

The MPUC approved recovery of all PIIC settlement costs from Minnesota ratepayers in Docket No. Docket No. M-03-1544.

2005

Minn. Stat. § 216B.2424 was amended to add additional biomass fuel sources meeting the requirements of a farm-grown closed-loop biomass. S.F. No. 1368, 84th Leg., Reg. Sess. (Minn. 2005).

Minn. Stat. § 216B.2424 was amended to add a new subdivision to provide terms and conditions to biomass projects owned or controlled by two municipal utilities as described in Minn. Stat. § 216B.2424, subd. 5a(b). *Id.*

Minn. Stat. § 216B.2424 was also amended to allow a biomass project owned or controlled by two municipal utilities as described in Minn. Stat. § 216B.2424, subd. 5a(b) to qualify for the interim exemption to the biomass mandate subject to certain conditions. *Id.* The amendment also created provisions governing those power purchase agreements involving two municipal utilities located north of Constitutional Route No. 8, as described in Minn. Stat. § 161.114. *Id.* This amendment ultimately resulted in the Laurentian PPA which was under consideration in the rate case.

Minn. Stat. § 216B.2424 was also amended to modify the conditions under which the MPUC was required to approve a pending request for an amendment and assignment of a contract for power from a facility using short-rotation woody crops as its primary fuel. *Id.*

In addition, Minn. Stat. § 216B.2424 was amended to require the MPUC to approve recovery by the public utility of “any and all” Minnesota jurisdictional costs incurred to permit interconnection of the retrofitted biomass-fueled generating facilities, and to disapprove any provision in a power purchase agreement requiring the developer or owner of a project to pay the jurisdictional costs or allow the public utility to terminate the power purchase agreement as a result of the existence of those costs or the public utility’s obligation to pay those costs. *Id.*

Minn. Stat. § 216B.2424 was amended a second time in 2003 to set a deadline for two utilities owning or controlling a biomass project described in Minn. Stat. § 216B.2424, subd. 5a(b) to fund or obtain funding from nonstate sources of up to \$150,000 by April 1, 2006 to complete the guidelines or best management practices described in

Minn. Stat. § 216B.2424, subd. 1a(h). S.F. No. 69, 84th Leg., 1st Spec. Sess. (Minn. 2005).

Minn. Stat. § 116C.779 was amended to raise the amount of funds allocated annually to fund REPI incentives from \$6 million to \$10.9 million. S.F. No. 69, 84th Leg., 1st Spec. Sess. (Minn. 2005).

## **2006**

Minn. Stat. § 216B.2424 was amended for a non-substantive change to account for a renumbered statute referenced in Minn. Stat. § 216B.2424, subd. 5(i). H.F. No. 785, 84th Leg., Reg. Sess. (Minn. 2006).

## **2007**

Minn. Stat. § 116C.779 was amended to allow Xcel Energy to apply for RDF grants which allowed the Company the opportunity to participate in research and development activities funded by the RDF. S.F. No. 2096, 85th Leg., Reg. Sess. (Minn. 2007).

Minn. Stat. § 116C.779 was also amended to require the Company to transfer \$350,000 to the renewable development account for each dry cask containing spent fuel located at the Monticello nuclear power plant for each year the plant is in operation. The Company may be required to transfer \$5.25 million to the renewable development fund each year the plant is not in operation for any year in which the MPUC finds that the Company did not make a good faith effort to remove the spent nuclear fuel stored at the facility to a permanent or interim storage site outside of Minnesota. *Id.*

Minn. Stat. § 116C.779 was also amended to require the Company to transfer to the renewable development account \$7.5 million in any year after operations have ceased at Prairie Island and the MPUC determines that the Company did not make a good faith effort to remove the spent nuclear fuel to a permanent or interim storage site outside of Minnesota. *Id.*

Minnesota Legislature directs \$15.25 million of RDF funds be paid to the Minnesota Department of Commerce for various renewable energy efforts; payments were made quarterly beginning in July, 2007. S.F. No. 2096, 85th Leg., Reg. Sess. (Minn. 2007).

## **2008**

Minn. Stat. § 216B.2424 was amended to re-define the term “farm-grown closed-loop biomass” as used in the section. S.F. No. 3337, 85th Leg., Reg. Sess. (Minn. 2008).

**2009**

Minn. Stat. § 216B.2424 was amended to set forth requirements regarding MPUC-approved amendments to power purchase agreements with an owner of a facility using short-rotation, woody crops as its primary fuel. S.F. No. 550, 86th Leg., Reg. Sess. (Minn. 2009).

Minn. Stat. § 116C.779 was amended to add a subdivision directing \$5 million per year be paid to IREE from 2009 through 2012. S.F. No. 550, 86th Leg., Reg. Sess. (Minn. 2009).

**2010**

Minn. Stat. § 116C.779 was amended to revise the Company’s payments from \$16 million per year to \$500,000 per cask containing spent fuel located at the Prairie Island power plant. S.F. No. 3275, 86th Leg., Reg. Sess. (Minn. 2010).

The Legislation also created a Minn. Stat. § 116C.7791, requiring that the following amounts be allocated from the RDF to providing rebates for solar photovoltaic module installation: \$ 2 million (2011), \$4 million (2012), and \$5 million (2013 through 2015). *Id.*

**2011**

Minn. Stat. § 116C.779 was amended to exempt certain expenditures from the renewable development account from MPUC approval. S.F. No. 1197, 87th Leg., Reg. Sess. (Minn. 2011). Minn. Stat. § 116C.779 was also amended to decrease the \$5 million annual payment to IREE from 2009 through 2012 to 2009 through 2011. *Id.*

**2012**

Minn. Stat. § 116C.779 was amended to revise the conditions under which funds in the renewable development account may be expended. S.F. No. 2181, 87th Leg., Reg. Sess. (Minn. 2012). Minn. Stat. § 116C.779 was also amended to require the public utility to: manage the account, consult an advisory group regarding expenditures, utilize a third-party expert to evaluate proposals, and provide an annual report to the legislative committees with jurisdiction over energy policy on projects funded by the account. *Id.* Minn. Stat. § 116C.779 was also amended to prohibit the Legislature’s ability to directly appropriate funds from the account, and to require preference toward those proposals whose projects are most cost-effective for a particular energy source. *Id.*

**2013**

Minn. Stat. § 216B.2424 was amended to extend the deadlines applicable to amendments to a power purchase agreement with an owner of a facility using short-rotation, woody crops as its primary fuel, and to cap the average price for energy to \$109.20 per megawatt hour for such agreements. S.F. No. 521, 88th Leg., Reg. Sess. (Minn. 2013). Minn. Stat. § 216B.2424 was also amended to add two new paragraphs governing the inclusion of a fuel cost adjustment clause in a power purchase agreement with an owner of a facility using short-rotation, woody crops as its primary fuel, and setting forth restrictions and requirements on a public utility’s recovery and payments in such agreements. *Id.*

Minn. Stat. § 116C.7792 was created and required that for five consecutive years, commencing in 2014, \$ 5 million, annually, shall be allocated from the RDF for a solar production incentive program. H.F. No. 729, 88th Leg., Reg. Sess. (Minn. 2013). Minn. Stat. § 216C.412 was also created, requiring that \$15 million annually, commencing in 2014 and continuing through 2023, be paid from the RDF to the Department of Commerce for establishing an account for the “Made in Minnesota” solar energy production incentive. *Id.*

**PRAIRIE ISLAND REQUIREMENTS – SUMMARY OF OUTCOMES**

▪ **Implementation of Biomass Mandate**

The Biomass Mandate has resulted in the execution of three PPAs (Fibrominn 50 MW, St. Paul Cogen 25 MW, and Laurentian 35 MW). In the aggregate these three contracts satisfied the 110 MW mandate under the statute.

▪ **Implementation of Wind Mandate**

The Wind Mandate has resulted in a series of PPAs that fulfill the 825 MW requirement.

▪ **Mdewankanton/Prairie Island Indian Community (PIIC) Agreement**

\$2.25 million fixed amount per year paid to PIIC and recovered from Minnesota customers only.

▪ **Renewable Development Fund Implementation**

Originally, Xcel Energy was required to transfer to the fund \$500,000 annually for each dry cask containing spent nuclear fuel being stored at the Prairie Island nuclear power plant, amounting to about \$9 million annually. Subsequent legislation extended nuclear-waste storage at Xcel Energy's Prairie Island plant and increased the amount Xcel Energy must pay toward the development of renewable-energy resources to \$16 million annually for as long as the utility's Prairie Island nuclear plant is in operation and, if ordered by the MPUC, \$7.5 million for each year the plant is not in operation. This payment rate became effective when there were 32 casks stored at the plant.

In May 2007, S.F. 2096 amended Minn. Stat. § 116C.779. Under this legislation, Xcel Energy is required to contribute \$350,000 towards the fund for each dry cask storage device containing spent fuel at the Monticello plant for as long as the plant remains in operation and, if ordered by the MPUC, \$5.25 million annually for each year the plant is not in operation. Therefore, Xcel Energy's annual contribution to the RDF was increased from \$16 million to \$19.5 million during 2008 and will increase again to approximately \$24.5 million in 2013 and \$26 million in 2014.

Up to \$10.9 million annually must be allocated to support renewable energy

production incentives through January 1, 2021. Of this amount, \$9.4 million supports production incentives for electricity generated by wind-energy systems. The balance of the \$10.9 million sum (up to \$1.5 million annually) may be used for production incentives for on-farm biogas recovery facilities, hydroelectric facilities, or for production incentives for other renewables. Unspent portions of this allocation from any calendar year may be used for other purposes allowed under this fund.

In addition to the \$10.9 million annual allocation for renewable energy production incentives, 2009 Minnesota legislation required Xcel Energy to send an additional \$5 million annually to fund a grant for the University of Minnesota's Initiative for Renewable Energy and the Environment (IREE). However, this section of law is now suspended.

### **Funding Allocation**

Although preference must be given to development of renewable-energy projects located in Minnesota, a number of projects located in other states have been funded, including North Dakota. Renewable energy technologies eligible for funding typically include wind, biomass, solar, hydro and fuel cells. Funding is generally split between new development projects that result in the production of renewable energy, and research and development. Expenditures from the RDF may only be made after approval by order of the PUC upon a petition by the public utility.

### **Project Selection and Examples**

Awards have historically been given to projects supporting the research and development of new renewable energy sources and energy production for wind, biomass, solar, hydropower, biofuels and coal gasification through various funding cycles:

- First Funding Cycle (2001): 19 projects awarded nearly \$16 million in funding, including three University of North Dakota projects awarded approximately \$2.8 million in funding
- Second Funding Cycle (2005): 29 projects awarded nearly \$37 million
- Third Funding Cycle (2007): 22 projects awarded nearly \$23 million, including three University of North Dakota projects awarded almost \$3 million in funding
- Fourth Funding Cycle (2013): Applications were due April 1, 2013.

Since 2011 Xcel Energy has recovered all of its RDF costs through an automatic adjustment of charges in Minnesota. *Order After Reconsideration Modifying March 17, 2011 Order and Reallocating Expenses*, Docket No. E-002/M-10-1054. (June 30, 2011).

**SOLAR**

In 2008, the Minnesota Legislature provided the first statutory revisions to allow energy savings from qualifying solar projects to be included in the Company's conservation improvement program. Since then, several new statutes have been created and existing statutes amended to require additional solar energy incentives and installations.

*Minn. Stats. §§ 216B.241, 216B.2411, 216B.164, 216B.1641, 216C.411, 216C.412, 216C.413, 216C.414, 216C.415, 116C.7791, 116C.7792*

**2008**

During the 2008 session of the Minnesota Legislature, Minn. Stat. § 216B.241 (Energy Conservation Improvement) was amended by adding Subd. 5a to allow energy savings from qualifying solar projects to be included in the Company's conservation improvement program. S.F. No. 3337, 85<sup>th</sup> Leg., Reg. Sess. (Minn. 2008).

**2009**

The Minnesota Legislature, in 2009, made revisions to Minn. Stat. § 216B.241, Subd. 5a to allow certain solar projects to qualify for a performance incentive under Minn. Stat. § 216B.16, Subd. 6c, based on the competitiveness and cost-effectiveness with other solar projects available to the utility. S.F. No. 550, 86<sup>th</sup> Leg., Reg. Sess. (Minn. 2009). This legislation also amended Minn. Stat. § 216B.2411, Subd. 1 to allow an electric utility that offers customers an incentive to install qualifying solar energy projects to request approval from the Commissioner of the Minnesota Department of Commerce to exceed the five percent spending limit, but not to exceed ten percent, on energy conservation improvements. This legislation also amended Minn. Stat. § 216B.1691, Subd. 2a to limit the amount of solar energy that could be used to meet the renewable energy standard to no more than one percent.

- The Company submitted its Solar Rewards tariff, developed pursuant to this legislative authority in 2009. The MPUC approved our tariff in its February 16, 2010 Order in Docket E002/M-09-1167.
- Solar Rewards tariff revisions later made in Docket E002/M-10-1278 and approved by the MPUC in June 2011. Further program revisions proposed in same docket were approved by the MPUC in March 2013.

**2010**

Minn. Stat § 116C.7791 was created to require development of a solar rebate program for the installation of solar photovoltaic modules manufactured in Minnesota after December 31, 2009. S.F. No. 3275, 86<sup>th</sup> Leg., Reg. Sess. (Minn. 2010). To be eligible, the solar photovoltaic module must be manufactured in Minnesota, installed as part of a system whose generating capacity does not exceed 40 kW, and may not be used to provide electricity to an offsite facility or used to sell, transmit, or distribute the energy at retail, along with several certification requirements.

**2013**

Four new solar programs were created by the 2013 Minnesota Legislature. Minn. Stat. § 116C.7792 created a production-based incentive funded by \$ 5 million from the Renewable Development Fund established under Minn. Stat. § 116C.779. Minn. Stat. § 216B.1641 created a requirement for an electric utility subject to the Renewable Development Fund to file a proposal with the MPUC for the operation of a community solar garden program. Minn. Stat. § 216B.1691 was amended to require that by the end of 2020 (approx. 270 MW), at least 1.5% of a Minnesota public utility's total electric retail sales must be generated by solar energy. Of that 1.5 percent, at least 10% (approx. 40-50%) must be met by small solar energy projects (nameplate capacity of 20 kW or less). Minn. Stat. § 216C.412 established the "Made in Minnesota" Solar Energy Production Incentive, a production-based incentive administered by the Department of Commerce, Division of Energy Resources and funded through the Conservation Improvement Program and Renewable Development Fund (*see also* Minn. Stat. §§ 216C.411, 216C.412, 216C.414, and 216C.415). These 2013 initiatives are in early stages at this time, with multiple dockets and timelines.

- The MPUC established an interim solar rate and initiated Docket No. M002/M-13-315 to develop the solar rate methodology.
- The MPUC initiated Docket No. E999/CI-13-542 to explore details of implementation of Solar Energy standards in July 2013.
- Community Solar Garden program proposal filed with MPUC in September 2013 in Docket No. E002/M-13-867.
- Proposal for a new Solar-Rewards program to increase adoption of small-scale solar was filed with MPUC October 2013 in Docket No. E002/M-13-1015.

**RENEWABLE ENERGY OBJECTIVE/STANDARDS**

During the 2001 Session, the Legislature passed the Minnesota Energy Security and Reliability Act establishing among other things: specific renewable energy goals and timelines, renewable energy credits program, customer rate options for purchasing renewable energy, and emissions-reduction cost recovery mechanism. The initial renewable goal was revised to standard in 2003 for Xcel Energy as a result of its ownership of nuclear generating facilities in the State of Minnesota.

**2001**

In 2001, the State of Minnesota first adopted a renewable energy objective of 10 percent renewables to be achieved by 2015. *See* Minn. Stat. 216B.1691. The objective could be met by solar, wind, hydroelectric with a capacity of less than 60 megawatts, or biomass resources that were not otherwise mandated by state law or MPUC order. Under the statute, electric utilities were required to make a “good faith effort” to achieving the objective. There was no requirement to achieve the 10 percent objective.

The statute provided incremental steps for achievement, with utilities to have at least one percent generation by 2005, increasing by one percent per year until 2015. The statute also required that of the resources used to meet the objective, at least 0.5 percent was to be from biomass by 2010 and one percent from biomass by 2015. S.F. No. 722, 82nd Leg., Reg. Sess. (Minn. 2001).

**2002**

§ 216B.1691 was modified to exclude any renewable resources required by law or Commissioner order issued prior to August 1, 2001. H.F. No. 2972, 82nd Leg., Reg. Sess. (Minn. 2002).

**2003**

The Legislature expanded the definition of renewables that count toward the renewable objective to include hydrogen and certain biomass, and further clarified that renewables mandated by prior law did not count toward achievement of the goal. The Legislature also directed the MPUC to issue an order detailing the criteria and standards by which it would measure achievement of the goal. H.F. No. 9, 83rd Leg., 1st Spec. Sess. (Minn. 2003).

The MPUC opened a docket to receive comments on the appropriate interpretation of various aspects of the statute, as well as what criteria would apply to measure achievement of the goal. The MPUC issued an order interpreting the legislative renewables goal to be 10 percent by 2015, allowing utilities to acquire resources in increments that were cost-effective (not just one percent per year), and also giving utilities credit for renewables meeting the objective that were acquired prior to 2005. MPUC Docket No. E999/CI-03-869 (June 1, 2004). These were positions advocated by the Company before the MPUC to ensure that the objective, if met, was completed in a cost-effective and prudent manner for customers.

Environmental groups challenged the MPUC's order alleging the statute required one percent achievements in each year regardless of prior achievements. The Company participated in the appeal, supporting the MPUC's interpretation, an interpretation ultimately affirmed by the Minnesota Court of Appeals and Minnesota Supreme Court.

As part of the 2003 amendments to the statute, the Legislature also directed that a utility owning a nuclear generating facility was to deploy an additional 300 MW of wind by 2010 beyond the amount of wind energy capacity the utility was otherwise required by law or commission order to acquire, and that at least 100 MW of that 300 MW was to be from facilities sized 2 MW or less. The Legislature also directed an engineering study to evaluate the impacts of additional wind beyond the 825 MW required under the mandates and that the addition of the 300 MW of wind was to be consistent with the outcome of that study.

The Legislature directed that the renewable energy objective was a requirement for the utility owning the Prairie Island nuclear generating facility subject to resource planning and least-cost planning requirements and was a requirement unless the implementation of the objective was reasonably shown to jeopardize reliability. The amendment also included a requirement for the utility owning a nuclear power plant to enter into a power purchase contract by January 1, 2004, for 10 to 20 MW of biomass at an all-inclusive price not to exceed \$55/MW for a project located in a defined geographic area. That project could not meet the legislative parameters and an agreement was never executed.

Minn. Stat. § 216B.1691 was also amended to allow the MPUC to establish a program for tradable credits for electricity and limit the amount of electricity produced by fuel combustion going towards a utility's eligible energy objectives. H.F. No. 9, 83rd Leg., 1st Spec. Sess. (Minn. 2003).

2007

The law was identified as the Next Generation Energy Act of 2007. S.F. 4, 85<sup>th</sup> Leg., Reg. Sess. (Minn. 2007). The renewable energy objective was revised to a standard for all utilities in 2007. For an electric utility owning a nuclear generating facility, the requirements for renewables as a percentage of retail sales were as follows:

- 2010: 15 percent
- 2012: 18 percent
- 2016: 25 percent
- 2020: 30 percent

Of the 30 percent in 2020, at least 25 percent is required to be generated by wind and the remaining five percent by other eligible energy technology.

The statute requires the MPUC to modify or delay the implementation of a standard obligation, in whole or in part, if the MPUC determines it is in the public interest to do so. The commission, when requested to modify or delay implementation of a standard, must consider: (1) the impact of implementing the standard on its customer's utility costs, including the economic and competitive pressure on the utility's customers; (2) the effects of implementing the standard on the reliability of the electric system; (3) technical advances or technical concerns; (4) delays in acquiring sites or routes due to rejection or delays of necessary siting or other permitting approvals; (5) delays, cancellations, or nondelivery of necessary equipment for construction or commercial operation of an eligible energy technology facility; (6) transmission constraints preventing delivery of service; and (7) other statutory obligations imposed on the MPUC or a utility. The MPUC may modify or delay implementation of a standard obligation under clauses (1) to (3) only if it finds implementation would cause significant rate impact, requires significant measures to address reliability, or raises significant technical issues. The MPUC may modify or delay implementation of a standard obligation under clauses (4) to (6) only if it finds that the circumstances described in those clauses were due to circumstances beyond an electric utility's control and make compliance not feasible.

The statute also provides a penalty for non-compliance. If the MPUC finds noncompliance, it may order the electric utility to construct facilities, purchase energy generated by eligible energy technology, purchase renewable energy credits, or engage in other activities to achieve compliance. If an electric utility fails to comply with an order under this subdivision, the MPUC may impose a financial penalty on the electric

utility in an amount not to exceed the estimated cost of the electric utility to achieve compliance. The penalty may not exceed the lesser of the cost of constructing facilities or purchasing credits.

As a Company that owns a nuclear generation facility and intended to construct, own, or operate facilities to comply with the standard, the Company was required to file a renewable energy plan on or before March 1, 2008, setting forth the manner in which the utility proposes to meet the requirements of this section, including a proposed schedule for purchasing renewable energy from C-BED and non-C-BED projects. S.F. No. 4, 85th Leg., Reg. Sess. (Minn. 2007). The Company submitted its renewable energy plan in December 2007 and the MPUC approved the plan in June 2009. The Company outlined its plan to meet the Minnesota renewable standard with 50 percent owned resources and 50 percent power purchase resources

### **2008**

Minn. Stat. § 216B.1691 was amended to clarify the definition of an “eligible energy technology.” S.F. No. 2996, 85th Leg., Reg. Sess. (Minn. 2008).

### **2009**

Minn. Stat. § 216B.1691 was amended to require an electric utility owning a nuclear generating facility to generate at least 25 percent (of the 30 percent required to be generated by an eligible energy technology by 2020) of its electricity by solar energy or wind energy conversion systems. Of the 25 percent that must be generated by wind or solar, no more than one percent may be solar generated and the remaining 24 percent or greater must be wind generated. S.F. No. 550, 86th Leg., Reg. Sess. (Minn. 2009).

As noted above, the Company’s Renewable Energy Plan was approved by the MPUC in June 2009. *Order Approving Target Allocation within Xcel Energy’s Renewable Energy Plan*, Docket No. E-002/M-07-1558 (June 19, 2009).

### **2010**

Minn. Stat. § 216B.1691 was amended for a non-substantive, stylistic change. S.F. No. 2642, 86th Leg., Reg. Sess. (Minn. 2010).

**2011**

Minn. Stat. § 216B.1691 was amended to cite the federal Clean Air Act, United States Code, title 42, section 7401 et seq. S.F. No. 885, 87th Leg., Reg. Sess. (Minn. 2011).

Minn. Stat. § 216B.1691 was also amended to clarify the definition of “total retail electric sales,” and to add a subdivision requiring electric utilities to submit to the MPUC and relevant legislative committees a report containing an estimate of the rate impact of activities of the electric utility necessary to comply with the eligible energy objectives section. S.F. No. 1197, 87th Leg., Reg. Sess. (Minn. 2011).

**2013**

Minn. Stat. § 216B.1691 was amended to require the MPUC, in consultation with the Department of Commerce, to determine a uniform reporting system of rate impact reports submitted by electric utilities. H.F. No. 729, 88th Leg., Reg. Sess. (Minn. 2013). As described in the section on solar above, the statute was also amended to require each public utility to generate or procure sufficient electricity generated by solar energy to serve its retail electricity customers in Minnesota so that by the end of 2020, at least 1.5 percent of the utility's total retail electric sales to retail customers in Minnesota is generated by solar energy. At least ten percent of the 1.5 percent goal must be met by solar energy generated by or procured from solar photovoltaic devices with a nameplate capacity of 20 kilowatts or less.

Minn. Stat. § 216B.1692 was amended to include certain projects installed on existing large electric generating power plants located outside the state to be approved for the emission reduction rate rider if the project received an advance determination of prudence from the MPUC. The amendment also extends the sunset provision to December 31, 2020. H.F. No. 729, 88th Leg., Reg. Sess. (Minn. 2013).

<b>GREEN PRICING</b>
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**2001**

Minn. Stat. § 216B.169 was created to require utilities to offer its customers one or more options that allow a customer to determine that a certain amount of the

electricity purchased by the customer is renewable energy or a high-efficiency energy rate. S.F. No. 722, 82nd Leg., Reg. Sess. (Minn. 2001).

The MPUC approved the Company's initial rate offering pursuant to this statute in its *Order Approving Renewable Energy Rate Implementation Plan and Imposing Requirements*, Docket No. E002/M-01-1479 (Feb. 26, 2002).

### **2007**

Minn. Stat. § 216B.169 was repealed in 2007. S.F. No. 4, 85th Leg., Reg. Sess. (Minn. 2007).

### **2009**

Minn. Stat. § 216B.169 re-instated on January 1, 2010. *See* S.F. No. 4, 85th Leg., Reg. Sess. (Minn. 2007). Minn. Stat. § 216B.169 was amended such that it would be optional for a utility to offer renewable and high-efficiency energy rate options to its customers. S.F. No. 550, 86th Leg., Reg. Sess. (Minn. 2009).

The Company submitted a revised green pricing program for MPUC approval in 2009. The MPUC approved certain changes to the program in 2010 in Docket E002/M-09-1177.

<b>COMMUNITY BASED ENERGY DEVELOPMENT (CBED)</b>
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Minn. Stat. § 216B.1612 was enacted as a result of the perception that the “two megawatts and less” wind project preference established by Minn. Stat. § 216B.2423, was not effective in encouraging small locally-owned wind projects. The statute was established by 2005 legislation for development of locally-owned small wind facilities in Minnesota encouraging ownership by cities, counties, schools and individuals. Certain criteria defined eligible projects. In 2005, legislation required priority be given to CBED projects. *Minn. Stats § 216B.1612.*

### **2005**

As part of more comprehensive energy legislation, Minn. Stat. § 216B.1612 was enacted to require the establishment of a tariff to “optimize local, regional, and state benefits from wind energy developments and to facilitate widespread development of

community-based wind energy projects throughout Minnesota.” S.F. No. 1368, 84th Leg., Reg. Sess. (Minn. 2005). The statute also set the criteria for what kinds of projects and ownership would qualify as CBED. *Id.* The statute set a rate ceiling of a levelized 2.7 cents/kWH over the life of a 20 year PPA for CBED projects and requiring a higher rate in the first ten years and lower rate in the last ten years to achieve this levelized rate. *Id.* All utilities were required to file proposed tariffs with the Commission in 2005. *Id.* The legislation required that CBED projects be given priority review as part of the resource planning process and required utilities to demonstrate good faith efforts to meet its renewable resource objectives with CBED projects and to determine if a CBED projects was a cost effective way to meet resource needs but does not obligate a utility to purchase from a CBED project. *Id.* Lastly, the statute allowed deviation from the statutory rate upon agreement by the utility and the CBED project but required all CBED PPAs to be reviewed and approved by the MPUC. *Id.*

## **2006**

Minn. Stat. § 216B.1612 was amended to make certain corrections to the definitions. H.F. 3488, 84th Leg., Reg. Sess. (Minn. 2006).

The MPUC approved Xcel Energy’s CBED Tariff. *Order Approving Xcel’s Community Based Energy Development Tariff with Modifications*, Docket No. E-002/M-05-1887 (May 3, 2006). The MPUC also waived the competitive bidding requirements for the Company’s purchase of CBED projects. *Order Waiving Competitive Bid Requirements for CBED*, Docket No. E-002/M-05-1887 (September 9, 2006).

## **2007**

Minn. Stat. § 216B.1612 was amended in 2007 to shift the focus from “wind” to “renewable” projects. S.F. No. 145, 85th Leg., Reg. Sess. (Minn. 2007). The definitions were also amended to expand the types of entities who could own and operate a CBED project. *Id.* The 2.7 cents/kWH rate ceiling was eliminated. *Id.* The deadline for each utility to establish a CBED tariff was extended to 2007. *Id.* The amendments also required that utilities subject to the Minnesota Renewable Energy Standard take reasonable steps to meet their requirements with CBED projects. *Id.*

Minn. Stat. § 216B.1612 was amended to allow a utility to partner in the development of a CBED project. *Id.*

Minn. Stat. §216B.1645 was amended to allow rider recovery of, among other things, CBED project costs. *Id.*

Minn. Stat. § 216B.1691 was amended to require, among other things, Xcel Energy, as the nuclear utility in Minnesota, to file a renewable energy plan which includes a proposed schedule for purchasing energy from CBED and non-CBED projects. *Id.*

## **2008**

Minn. Stat. § 216B.1612 was amended to allow governmental entities to participate in CBED projects. H.F. No. 3585, 85th Leg., Reg. Sess. (Minn. 2008).

The MPUC approved the Company's revised CBED Tariff incorporating the 2007 legislative changes. *Order Approving Revised Community-Based Energy Development Tariff*, Docket No. E-002/M-07-1527 (Sept. 5, 2008).

## **2009**

Minn. Stat. § 216B.1612 was further amended to expand the Minnesota governmental entities who could participate in CBED projects. H.F. No. 2088, 86th Leg., Reg. Sess. (Minn. 2009).

The MPUC approved the Company's renewable energy plan, including its CBED acquisition proposal. *Order Approving Target Allocation within Xcel Energy's Renewable Energy Plan*, Docket No. E-002/M-07-1558 (June 19, 2009).

## **2010**

The definitions provisions of Minn. Stat. § 216B.1612 were further amended to modify who may qualify as an owner or beneficiary of the CBED project and explicitly excluded public utilities. S.F. No. 3081, 86th Leg., Reg. Sess. (Minn. 2010). Further definition revisions were made to clarify what types of revenues would be applicable to determining rates for CBED projects. *Id.* Amendments to the tariff rate provisions were also made to eliminate net present value calculations for rate determination purposes. *Id.* Lastly, a new subdivision of Minn. Stat. § 216B.1612 was added which empowered the Minnesota Department of Commerce to make determinations as to if a particular project would be eligible for CBED status. *Id.*

**EMISSIONS REDUCTIONS**

This section discusses Minnesota Statutes related to emissions reductions, including the emissions reduction rate rider, the Mercury Emissions Reduction Act of 2006, and the greenhouse gas emissions statutes enacted as part of the Next Generation Energy Act of 2007, as well as Xcel Energy's efforts to comply with these statutes.

**2001**

Minn. Stat. § 216B.1692 was created to provide the terms and conditions for a public utility seeking an emissions reduction rate rider, including an environmental assessment by the pollution control agency, an opportunity for written and oral comment, and assessment by the MPUC. H.F. No. 1, 82nd Leg., 1st Spec. Sess. (Minn. 2001).

**2002**

In July 2002, Xcel Energy submitted its emissions reduction proposal, Metropolitan Emission Reduction Proposal (MERP), to the MPUC under Minn. Stat. § 216B.1692. *Order Approving Xcel's Proposed Plan, Subject to the Terms of a Settlement Agreement and Additional Conditions and Clarifications*, Docket No. E-002/M-02-633 (Mar. 8, 2004). In MERP, the Company proposed to carry out extensive and costly renovations at three of its Twin Cities area power plants – King, High Bridge, and Riverside – converting two of the three plants from coal to natural gas and installing advance pollution control equipment at all three plants.

**2004**

In March 2004, the MPUC approved MERP and the emissions reduction rate rider under Minn. Stat. § 216B.1692. *Order Approving Xcel's Proposed Plan, Subject to the Terms of a Settlement Agreement and Additional Conditions and Clarifications*, Docket No. E-002/M-02-633 (Mar. 8, 2004).

**2006**

Minn. Stat. § 216B.1692 was amended to state that the provisions regarding the emissions reduction rate rider apply to only those plans, projects, and riders approved before December 31, 2013. H.F. No. 3712, 84th Leg., Reg. Sess. (Minn. 2006).

In 2006, the Minnesota Legislature passed the Mercury Emissions Reduction Act of 2006. H.F. No. 3712, 84th Leg., Reg. Sess. (Minn. 2006). In addition to amending several existing statutes, the Legislature created several other statutes requiring mercury emissions reductions by public utilities:

- Minn. Stat. § 216B.68 set forth definitions to be applied in sections 216B.68 to 216B.688.
- Minn. Stat. § 216B.681 was created to require all public utilities owning or operating a qualifying facility to install, maintain, and operate mercury emission monitoring systems or other method of agency-approved monitoring by July 1, 2007.
- Minn. Stat. § 216B.682 was created to require all public utilities owning a dry scrubbed unit or wet scrubbed unit at a qualifying facility to submit a plan for mercury emissions reduction by December 31, 2007 and December 31, 2009, respectively.
- Minn. Stat. § 216B.683 was created to allow a public utility required to file a mercury emissions reduction plan to file for approval of an emissions reduction rate rider pursuant to Minn. Stat. § 216B.1692 for its mercury control and other environmental improvement initiatives.
- Minn. Stat. § 216B.685 was created to set forth the requirements under which the MPUC must review a utility's mercury emissions reduction plan.
- Minn. Stat. § 216B.6851 was created to provide alternate requirements for a public utility with less than 200,000 customers that owns two wet scrubbed units at a qualifying facility.
- Minn. Stat. § 216B.686 was created to allow utilities filing mercury emissions reduction plans to also propose plans for investments and related expenses in pollution control equipment to be installed at facilities in Minnesota, and also allowing utilities filing such plans to file for an emissions reduction rate rider. This section was created to encourage a utility to address multiple pollutants.
- Minn. Stat. § 216B.687 was created to set forth the Minnesota Pollution Control Agency's obligations with respect to the implementation and operation of mercury emissions reduction plans.
- Minn. Stat. § 216B.688 was created to protect the utility from having to undertake additional investments or incur additional operating or maintenance costs to reduce mercury at a unit included in an approved mercury emissions reduction plan.

**2007**

In 2007, the Minnesota Legislature passed the Next Generation Energy Act of 2007, which included the creation of Chapter 216H regarding global climate change and greenhouse gas emissions. S.F. 145, 85th Leg., Reg. Sess. (Minn. 2007).

- Minn. Stat. § 216H.01 set forth definitions for Chapter 216H.
- Minn. Stat. § 216H.02 was created to establish a goal of reducing, relative to 2005 levels, the emissions of greenhouse gasses by at least 15 percent by 2015, 30 percent by 2025, and 80 percent by 2050, and requires the commissioner of commerce, along with commissioners of several other agencies, to submit a climate change action plan to the Legislature by February 1, 2008.
- Minn. Stat. § 216H.03 was created to prohibit any person from contributing to long-term increased power sector carbon dioxide emissions in Minnesota through constructing a facility, importing from outside the state, or entering into a long-term power purchase agreement on and after August 1, 2009. Section 216H.03 provided for several exceptions and exemptions, and allowed the Department of Commerce to report violations of this section to the attorney general for appropriate legal action.
- Minn. Stat. § 216H.06 was created to require the MPUC to estimate the cost of complying with the future regulation of carbon dioxide and to use this cost for purposes of evaluating resource alternatives.

In 2007, Xcel Energy filed its Mercury Emissions Reduction Plan for its Sherco 3 and King generating plants. *See* Docket Nos. E-002/M-07-1601, E-002/M-07-1602.

**2008**

In 2008, the Minnesota Legislature passed additional statutes related to greenhouse gas emissions. Minn. Stat. § 216H.07 was enacted and requires the Commissioners of the Department of Commerce and the MPCA to submit a biennial reduction progress report and annual legislative proposal. The purpose of this section was to provide a mandated process for the state of Minnesota to develop policies to attain the greenhouse gas reduction goals specified in section 216H.02.

On November 6, 2008, the MPUC approved the Company's mercury reduction plans for Sherco 3 and King in Docket Nos. E-002/M-07-1601 and E-002/M-07-1602.

**2009**

Minn. Stat. § 216H.07 was amended for a non-substantive, stylistic change. S.F. No. 1096, 86th Leg., Reg. Sess. (Minn. 2009).

Minn. Stat. § 216H.10 was amended to clarify the definition of “high-GWP greenhouse gas.” H.F. No. 2123, 86th Leg., Reg. Sess. (Minn. 2009).

Minn. Stat. § 216H.021 was created to require the MPCA to establish a system for reporting and maintaining an inventory of greenhouse gas emissions. H.F. No. 2123, 86th Leg., Reg. Sess. (Minn. 2009).

In July 2009, the Company submitted a petition to the MPUC to establish a Mercury Cost Recovery Rider for its Sherco 3 and King generating plants. *See* Docket No. E-002/M-09-847. In November 2009, the MPUC approved the Mercury Cost Recovery Rider. *Order Approving Mercury Cost recovery Rider and Rate Adjustment Factor*, Docket No. E-002/M-09-847 (Nov. 4, 2009).

In December 2009, Xcel Energy filed its Mercury Emissions Reduction Plan for the Sherburne County Generating Facility Units 1 & 2. Docket No. E-002/M-09-1456.

**2010**

Minn. Stat. § 216B.1692 was amended to extend the sunset provision of the statute to December 31, 2015. S.F. No. 3080, 86th Leg., Reg. Sess. (Minn. 2010).

Minn. Stat. § 216H.03 was amended to add an additional exemption to the carbon dioxide emissions prohibition. S.F. No. 1197, 87th Leg., Reg. Sess. (Minn. 2011).

The MPUC approved the Company’s mercury emissions reduction plan for Sherco Units 1 and 2 on November 4, 2010. *Order Approving Mercury Emissions Reduction Plan*, Docket No. E-002/M-09-1456 (Nov. 4, 2010).

**2011**

Minn. Stat. § 216B.1692 was amended to cite the federal Clean Air Act, United States Code, title 42, section 7401 *et seq.* S.F. No. 885, 87th Leg., Reg. Sess. (Minn. 2011).

Pursuant to Minn. Stat. § 216H.06, the MPUC approved a range of \$4 and \$34 per ton of carbon dioxide emitted in 2012 and beyond. *Order Establishing 2009 and 2010*

*Estimate of future Carbon Dioxide Regulation Costs*, Docket No. E-999/CI-07-1199 (June 6, 2011).

**2012**

Pursuant to Minn. Stat. § 216H.06, the MPUC approved a range of \$9 to \$34 per ton of carbon dioxide emitted in 2017 and thereafter. *Order Establishing 2012 and 2013 Estimate of Future Carbon Dioxide Regulation Costs*, Docket No. E-999/CI-07-1199 (Nov. 2, 2012).

In response to Xcel Energy's submission of its Resource Plan, the MPUC directed the Company to complete a Sherco Life Cycle Management Study that includes an analysis of least-cost scenarios to reduce greenhouse gasses relative to 2005 levels by at least 15 percent by 2015, 30 percent by 2025, and 80 percent by 2050, consistent with Minn. Stat. § 216H.02. *Order Establishing Procedural Schedules and Filing Requirements*, Docket No. E-002/RP-10-825 (Nov. 30, 2012). The Company submitted its analysis on July 1, 2013 in Docket No. E002/RP-13-368.

**2013**

Minn. Stat. § 216B.1692 was amended to include certain projects installed on existing large electric generating power plants located outside the state to be approved for the emission reduction rate rider and to extend the sunset provision of the statute to December 31, 2020. H.F. No. 729, 88th Leg., Reg. Sess. (Minn. 2013).