

Hamre, John G.

From: Hamre, John G.
Sent: Wednesday, August 14, 2013 11:33 AM
To: Hamre, John G.
Subject: FW: Xcel Energy Pursuit of Additional 150 MW wind Project in ND

From: Sederquist, Dave [<mailto:dave.sederquist@xcelenergy.com>]

Sent: Friday, August 09, 2013 10:37 AM

To: Nitschke, Darrell D.; Jeffcoat-Sacco, Illona; Lein, Jerry R.; Fedorchak, Julie L.; Kalk, Brian P.; Lafferty, Austin; Diller, Michael R.; Fahn, Patrick J.; Christmann, Randel D.; Norrell, Ryan M.; Cardwell, Sara J.; Sheldon, Scott F.

Subject: Xcel Energy Pursuit of Additional 150 MW wind Project in ND

Commissioners, Staff,

I wanted to let you know that we plan to file an ADP on Monday for a 150 MW wind project in Rolette County, ND (called the "Border Winds" project). Unlike the recently filed 200 MW power purchase agreement with Geronimo Wind (the Courtenay Project, north of Jamestown), this project is a "build/transfer" arrangement whereby Xcel Energy will own and operate the facility when completed.

There is another important distinction with Border Winds that I want the NDPSC to understand: there remains a relatively fair amount of uncertainty that the project will come to fruition. While we have in fact signed an agreement with RES America, the agreement is structured with a provision that enables Xcel Energy to terminate the agreement if the costs of the needed transmission network upgrades exceed an acceptable threshold (spelled out in the contract). Currently, it is not clear what those costs will be, and studies are being performed now to firm up the estimates. But if they end up being too high, it will create a price point that we may not be comfortable with. Ultimately, this provision protects customers from paying more for the energy than they should.

We will also be issuing a press release on Monday, concurrent with our ADP, and will be sure to forward that to the Commission. I will be out of the office that day, but Mark Nisbet will be in if you have any questions.

Thank you.

Dave Sederquist

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No trees were killed in the sending of this message. However, several electrons were terribly inconvenienced.

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