

# Memorandum

To: Commissioners Christmann, Haugen-Hoffart and Kringstad

From: Leif Clark,  Grid & Rate Engineer

Date: January 10, 2025

Re: Northern States Power Company, Cogeneration – Small Power Production, Rates, Case No. PU-25-17

On January 2, 2025, NSP filed its annual update of cogeneration and small power production rate schedules as required under the federal Public Utilities Regulatory Policies Act of 1979 (PURPA) and Commission rules. These rate schedules provide standard rates for purchase of energy and generation capacity from small customer-owned Qualifying Facilities (QFs) as defined under PURPA. PURPA originally obligated utilities to purchase electricity delivered by QFs at a price equal to the utilities avoided costs. Amendments to PURPA under the Energy Policy Act of 2005 allow the FERC to relieve utilities of that purchase obligation if the FERC finds that the QF has access to energy markets. NSP has not been relieved.

The filing includes revised tariff rates for NSP's Net Energy Billing Service, Purchase and Sale Billing Service, and Time of Day Purchase Service, effective March 1, 2025. Metering charges are unchanged. Energy payments and capacity charges were a mix of increases and decreases. The number of customers on the company's Net Energy Billing Service remains at seven, and the total excel kWh sold to NSP decreased from 8833 to 6829.

Staff has reviewed the filing and recommends approval.