



2302 Great Northern Drive
Fargo, ND 58102

June 30, 2025

—Via Electronic Mail and U.S. Mail—

Steven M. Kahl, Executive Director
North Dakota Public Service Commission
State Capitol Building, Dept. 408
600 East Boulevard
Bismarck, ND 58505-0480

RE: **ANNUAL RENEWABLE ENERGY OBJECTIVE STATUS REPORT**
2024 PERFORMANCE
CASE NO. PU-25-___

Dear Mr. Kahl:

Northern States Power Company, doing business as Xcel Energy, submits the enclosed original and seven copies of the Renewable Energy Objective (REO) compliance report to the North Dakota Public Service Commission as required by North Dakota Century Code Section 49-02-34.

I. ANNUAL RENEWABLE ENERGY OBJECTIVE STATUS REPORT

North Dakota Century Code Section 49-02-34 states in part:

Commencing on June 30, 2009, retail providers shall report annually on the provider's previous calendar year's energy sales. This report must include information regarding qualifying electricity delivered and renewable energy and recycled energy certificates purchased and retired as a percentage of annual retail sales and a brief narrative report that describes steps taken to meet the objective over time and identifies any challenges or barriers encountered in meeting the objective.

For the 2024 calendar year, the North Dakota allocable portion of renewable energy generated on the NSP System was 869,771 megawatt-hours (MWh's). Excluding the renewable power purchase agreements not allowed to be recovered in rates and the hydro and Refuse Derived Fuel generation excluded per the REO statute, 743,734 MWh's, or 36.1 percent, of the energy provided to serve North Dakota load in 2024 was generated by REO-qualifying renewable resources (see Attachment A).

With respect to the sale of RECs in North Dakota, a portion of the 869,771 Renewable Energy Credits (RECs) created in 2024 were generated by renewable power purchase agreements previously disallowed for recovery by the Commission.¹ Excluding those resources, 803,465 RECs were available to be sold and the proceeds passed on to North Dakota customers. The sale of these 2024 vintage RECs resulted in net proceeds of \$1,746,947 that will be passed on to our North Dakota electric customers through the Fuel Cost Rider (See Attachment B).

II. REC MANAGEMENT TO SATISFY THE NORTH DAKOTA REO

The Midwest Renewable Energy Tracking System (M-RETS) is the regional database used to officially show compliance relative to state renewable energy standards.² One REC is created with the production of one megawatt-hour of electricity that qualifies as renewable-based generation. Xcel Energy has set-up state jurisdictional accounts in M-RETS and allocates RECs to each jurisdictional account in proportion to jurisdictional energy use. These MRET's accounts are holding accounts for active RECs that will ultimately be applied to satisfy state renewable objectives or standards or sold in the Market.

In general, RECs are either retired or sold to demonstrate compliance with renewable energy standards and objectives. The tracking system ensures an orderly and accurate accounting of RECs across the industry. In the Commission's September 8, 2010 Order (Case No. PU-10-19), the Commission confirmed that the statute does not require the Company to retire any RECs after the 2015 performance year. That said, to demonstrate compliance with the North Dakota voluntary renewable energy objective, NSP sells the North Dakota jurisdictional share of allocated RECs in the voluntary market. As mentioned above, for compliance year 2024, 803,465 RECs were sold, returning over \$1.7 million in credits to its customers. The RECs were transferred via MRET's and can no longer be used by the company.

Going forward, the Company plans to continue to sell the North Dakota jurisdictional share of RECs each year and, in turn, pass the proceeds to the customers. Overall, since July 1, 2012 the Company has sold over 8.7 million RECs

¹ In Case No. PU-12-813 the Commission approved a Settlement that called for the exclusion of purchased power agreements (PPAs) with 15 Community Based Energy Development (CBED) projects and 2 small solar power projects from the Fuel Cost Rider (FCR). Subsequent to that Order, 4 additional PPAs were excluded from the FCR as a result of Orders in Case Nos. PU-14-810, 15-95, and 16-458.

² Note: All of the renewable generation facilities owned by Xcel Energy have been registered in M-RETS. All of the commercially operational facilities from which the Company purchases renewable energy that we have specific rights to the RECs, assigned in the Purchased Power Agreements or by the MPUC in Docket No. E002/M-08-440, are also registered in M-RETS.

allocated to North Dakota during the 2009 – 2024 generation period, resulting in credits to customers of over \$13 million. In future years, we will continue to look for optimal sale opportunities in the REC market for our inventory of North Dakota RECs, and timely sell them for the benefit of our retail customers.

III. ADDITIONAL RENEWABLE ENERGY ADDED TO SYSTEM

Most recently, in 2024, the Company added 265 MW's of renewable generation capacity to its renewable portfolio. These resources and the addition of future renewable projects represent low-cost resources that will enable NSP to reduce emissions and meet the various renewable energy standards and objectives in the states within which we operate.

An electronic copy of this filing is also being sent to you for your convenience. Please contact me at alex.j.nisbet@xcelenergy.com if you have any questions regarding this filing.

Sincerely,

/s/

ALEX NISBET
REGULATORY POLICY SPECIALIST

Enclosure
cc: Victor Schock

North Dakota Renewable Energy Objective 2024 Status Report

Jurisdictional Allocation (based on energy use)

	<u>State Allocators</u>
1 Minnesota	71.6299%
2 North Dakota	5.4407%
3 South Dakota	5.7175%
4 Wisconsin/Michigan	<u>17.2119%</u>
5 NSP System	100.0000%

2024 NSP System Renewable Generation¹

	<u>MWh (RECs)</u>	
6 Wind	14,040,406	87.8%
7 Hydro (pre-2007)	828,635	5.2%
9 Solar	499,462	3.1%
8 Biomass\Wood	307,730	1.9%
10 Refuse-Derived Fuel (RDF)	269,234	1.7%
12 Hydro (in-service 2007 or after)	29,904	0.2%
11 Landfill Gas	11,043	<u>0.1%</u>
13 NSP System	<u>15,986,414</u>	100.0%

ND REO Renewable Energy

14 ND % of NSP System Energy	5.44069%
15 NSP System Renewable Energy allocated to ND	869,771
16 Exclude Sources Not Allowed in ND FCR ²	<u>(66,306)</u>
17 Renewable Energy (RECs) Attributable to ND	803,465
18 Exclude pre-2007 Hydro & RDF Production ³	<u>(59,731)</u>
19 ND REO qualifying renewable energy:	743,734

ND Retail Electric Energy Sales

20 ND electric energy retail sales	2,103,583
21 Exclude pre-2007 Hydro Production ⁴	<u>(45,083)</u>
22 ND REO adjusted retail sales	2,058,500

23 % of ND Energy from REO Qualifying Renewables 36.1%

2024 ND REC Sales

24 NSP System Renewable Energy Allocated to ND	869,771
25 Exclude Sources Not Allowed in ND FCR	<u>(66,306)</u>
26 2023 ND RECs Available to Sell	803,465
27 2024 Vintage Executed REC Sales	803,465
28 RECs Retired for 2024 REO Compliance ⁵	<u>0</u>

Notes:

- 1 Excludes production dedicated to MN green pricing programs (WindsorSource, Renewable*Connect, etc.)
- 2 Per Settlement Agreement in Case No. PU-12-813.
- 3 Per ND REO statute 49-02-25 and 49-02-26
- 4 Per ND REO statute 49-02-30
- 5 Per statute, there is no REO compliance requirement after 2015; RECs are sold as available.

North Dakota Renewable Energy Objective 2024 Status Report

ND REC Sales Summary

<u>Transaction Date</u>	<u>Vintage</u>	<u>Quantity</u>	<u>Net Proceeds*</u>
10/22/24	2024	198,000	\$ 435,600.00
10/22/24	2024	198,000	\$ 475,200.00
11/24/24	2024	100,101	\$ 210,212.10
11/13/24	2024	43,899	\$ 96,577.80
12/05/24	2024	60,000	\$ 132,600.00
04/16/25	2024	203,465	\$ 396,756.75
Total:		803,465	<u>\$1,746,946.65</u>

*Proceeds are Net of applicable Broker Fees

REC Inventory (as of 6/30/2025)

<u>Source Type</u>	<u>Vintage</u> <u>2024</u>	<u>Total</u>
1 Wind	0	0
2 Solar	0	0
3 Hydro	0	0
4 Biomass	0	0
5 Total	<u>0</u>	<u>0</u>